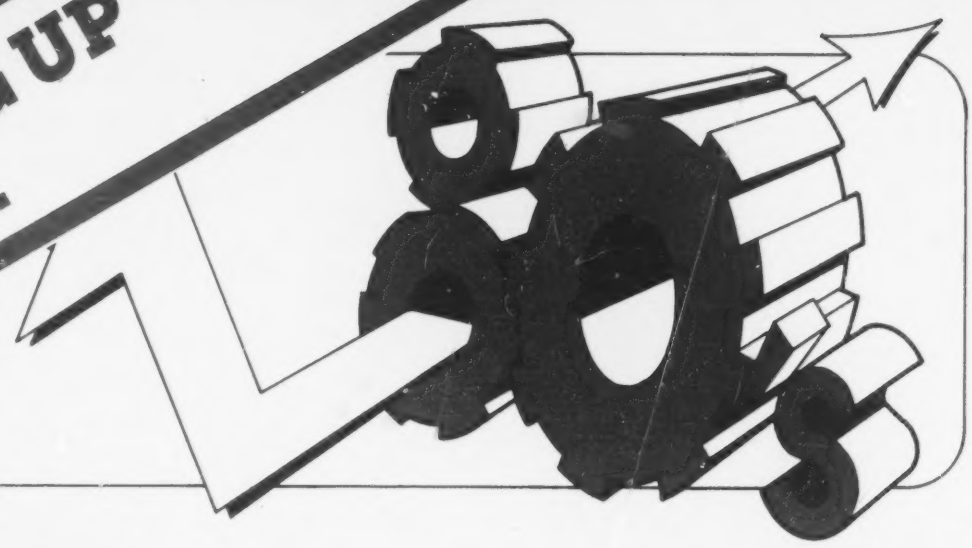
GEARING UP for the...



Two... Great RV Events in One City!

November 26: RVIA's 2nd Annual Marketing/Finance Forum, Commonwealth Convention Center (downtown), Louisville

November 27 to 30: 17th Annual Recreation Vehicle Industry Show, Kentucky Exposition Center (fairgrounds), Louisville

Attend the Finance Forum . . . then for a real bonus, spend the next days at the giant exposition where RV manufacturers and their supplier resources will be displaying their 1980 products. There is no charge to attend the exposition but registration is required, and admittance is by a certified badge. (See registration form on reverse side.)

You... will meet . . .

- **RV Industry Experts**
- **Leading Economists**
- **RV Bankers**
- **RV Industry Publishers**
- **RV Manufacturers**
- **RV Dealers**
- **RV Association Officers**
- **Government Officials**
- **RV Suppliers**
- **RV Campground Operators**

Here's your chance to evaluate the social, political, and economic signs that point to the RV marketing trends of the next decade. . . You'll learn about the design and marketing changes planned by the RV industry as its products conform to the increased energy requirements of the 80s.

Advance Registration Fee Schedule (Applicable to all registrations postmarked on or before November 14 which will allow time for return acknowledgment).

- $30 per person
- $25 for each additional registration from the same firm
- Fee includes a portfolio of industry information and statistical data.

LATE Registrations (postmarked after November 14, or at the door) **$35 per person**

(Registration and Program on Other Side)

Program

2nd Annual Marketing/Finance Forum

Monday, November 26, 1979 — Commonwealth Convention Center (downtown) Louisville

a.m.

11:00 Registration and Coffee Bar

p.m.

1:00 Moderator: **John G. Agno,** *Chairman*
RVIA Market Analysis Committee
Thetford Corporation
Ann Arbor, Michigan

1:10 Energy in the 80s: A Look Through the Crystal Ball
William M. Brown, *Director Energy Studies*
Hudson Institute, Inc.
Croton-on-Hudson, New York

1:50 Economic and Business Environment in the 1980s
Robert L. Berner, *Vice President*
Citicorp
New York, New York

2:30 Automotive Outlook on RV Product Planning
Gordon C. Cherry, *Director*
Truck Product Planning
Chrysler Corporation
Detroit, Michigan

p.m. (continued)

Robert C. Honke, *RV Sales Manager*
Ford Motor Company
Detroit, Michigan

3:30 Coffee

3:45 The RV Consumer: Attitudes and Expectations
Richard T. Curtin, *Director*
Surveys of Consumer Attitudes
Survey Research Center
University of Michigan
Ann Arbor, Michigan

4:25 Legislation: Changes That Affect You
David J. Humphreys, *President and General Counsel*
Recreation Vehicle Industry Association
Chantilly, Virginia

5:05 Wrap-up — What We Heard Today

5:25 RVIA Forecast for 1980

5:35 Questions and Answers

6:00 No Host Cocktail Reception

8:00 Adjournment

REGISTER NOW AND $AVE...$AVE...$AVE...$AVE...$AVE...$AVE...$AVE...$AVE...$AVE...$AVE...$AVE

For Instant Reservation Service, call toll free 800-556-6882

To: RVIA Marketing Forum
14650 Lee Road, Box 204
Chantilly, Va. 22021

(Please use separate sheet for additional names)

☐ **I would also like information on how to attend the RV show, November 27-30**

Please advance register ____ person(s) @ $30.00 and ____ person(s) from my company @ $25.00 for the Marketing/Finance Forum

1. Name _____
Firm _____
Street _____
City_____ State_____ Zip_____

2. Name _____
Firm _____
Street _____
City_____ State_____ Zip_____

Enclosed is my check for: _____ tickets @ $30.00 $_____ and _____ tickets @ $25.00 $_____ $_____
(amount) (amount) Total Enclosed

Please charge to:

VISA

Card # _____

master charge

Card # _____

Bank _____

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RV Financial Facts

A quarterly newsletter for the financial community about RVs and the family camping industry. . .

Vol. 4, No. 4 **September, 1979**

RV Marketing/Finance Forum To Precede Big National Show

Commonwealth Convention Center in downtown Louisville, site of the 2nd Annual RV Marketing/Finance Forum.

The Recreation Vehicle Industry Association will hold its second annual Marketing/Finance Forum, Monday, Nov. 26, 1979, at the Commonwealth Convention Center in Louisville, Kentucky.

The forum, "Gearing Up for the 80's," is designed to help financial executives, recreation vehicle dealers and manufacturers meet the challenges of the coming decade by pointing out how they can interpret projected trends and anticipate changes in all segments of the economy which could affect the RV industry. The event is scheduled the day before the official opening of RVIA's 17th Annual National RV Show also to be held in Louisville.

The combination of these two events, held back-to-back for the first time will offer industry representatives the opportunity to learn of economic trends as they affect the industry and then attend the RV Show at the Kentucky State Fairgrounds to see the 1980 models that manufacturers are introducing to their retailers.

Complete details of the Marketing/Finance Forum can be found on the program enclosed with this issue of Financial Facts. Registration is $30 per person for the first representative of each firm. Additional personnel from the same firm will be charged $25 per person. Advance registrations must be postmarked by November 14 to allow time for return of the credentials. Reservations made after November 14 and on the day of the forum will be charged $35 per person.

Those who attend the Marketing/Finance Forum can also attend the RV Show, for which there is no entrance fee. Admission, however, is by badge which can be obtained only at the Kentucky Exposition Center, where the show will be held, or by mail in advance. Write to: John Keaton, Marketing Department, RVIA, 14650 Lee Road, Chantilly, Va. 22021.

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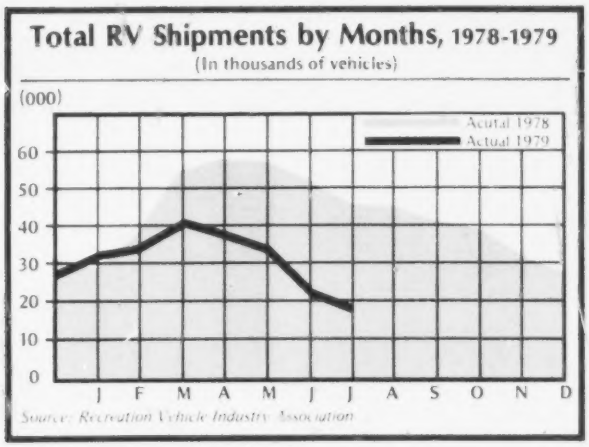
Bankers Report RV Loans Account for 2.9% Outstandings

The average recreation vehicle consumer installment loan made by retail banks during 1978 was $8,213, reports the American Bankers Association in its "1979 Retail Bank Credit Report." The average RV consumer installment loan outstanding at year-end 1978 was $6,591. The most common maximum maturity for RV loans on new vehicles ranged from 36 months to 60 months for direct loans, and from 36 months to 84 months for indirect loans.

The average most common interest rate charged at year-end 1978 for both direct and indirect RV loans for new vehicles was 12.33 percent. Of the total installment loan volume (excluding floor plan and open-end credit) at retail banks, RV loans made during 1978 comprised 2.9 percent of the number made and 4.9 percent of the dollar volume. Of the total installment loans outstanding (excluding floor plan and open-end credit) at retail

(continued on page 2)



RV Shipments Down in 2nd Quarter

Shipments of recreation vehicles from manufacturers' plants to retailers were 92,800 units in the second quarter of 1979, 44.6 percent below the same period a year ago, according to the RVIA Monthly Shipment Surveys. Monthly shipments totaled 38,600 in April, 32,500 in May and 21,700 in June.

RV shipments in January 1979 were 5.7 percent above the figure for January 1978, but since that time RV shipments have declined steadily. At the end of the first six months of 1979, 197,900 units had been shipped, a 31.6 percent decrease from the same period in 1978.

For the month of July 1979, the latest data available, total RV shipments were 19,700 units, down 56.7 percent from the 45,600 units of July 1978. Through the end of July, 217,600 RVs have been shipped. For the first seven months of 1979 shipments are down in all vehicle categories; motor homes as a group are down 52.9 percent and towable RVs are down 35.4 percent. Multi-use vans and fold-down camping trailers are faring the best, down 17.5 percent and 15.5 percent, respectively.

RV Loans (from page 1)

banks, RV loans outstanding at year-end 1978 comprised 2.9 percent of the number outstanding and 5.3 percent of the dollars outstanding.

The 1978 ratio of average net installment credit dollar losses on RV loans to average outstandings of RV loans at year-end 1978 was 0.23 percent. The 1978 net RV loan losses based on RV loan liquidations was 0.57 percent, and the ratio based on RV loan volume was 0.34 percent. Net losses from recreation vehicle loans decreased compared to 1977 figures. The ratio for overall average net installment credit dollar losses for all loan types (excluding floor plan and open-end credit) based on outstandings at year-end 1978 was 0.38 percent. Based on liquidations, the net ratio was 0.55 percent and based on volume was 0.42 percent.

Economic Experts Forecast 0.2% Growth in 1980 Real GNP

Real gross national product (GNP) is projected to grow only 0.2 percent for 1980, according to the August 1979 consensus of 40 of the nation's leading economists collected by Robert J. Eggert, Eggert Economic Enterprises, Inc. The quarterly projections show three more quarters of negative real growth, the third and fourth quarters of 1979 and the first quarter of 1980, followed by a rebound in the last three quarters of 1980.

The panel forecast for inflation in 1980 edged up in August to 8.5 percent, compared to a consensus 9 percent inflation for 1979. Consumer expenditures on durables are expected to grow 4.0 percent from 1979 to 1980, according to the panel. Pretax corporate profits consensus is a decrease of 1.5 percent, while spending on plants and equipment is expected to increase 7.8 percent.

The 1980 unemployment rate is forecast at an annual average of 7.3 percent. Short-term interest rates, as reflected by 90-day corporate commercial paper, are expected to be at a 1980 annual average of 8.6 percent. Long-term interest rates, as reflected by new issues of Aa utility bonds for 1980 are forecast at an annual average of 9.4 percent. On August 7, 1979, short-term rates were 9.9 percent and long-term were 9.7 percent.

While the panel sees a recession, the group of top economists expect the setback to be relatively mild.

Industrial Production Index Drops

Industrial production is estimated to have declined 0.1 percent in July 1979, the same as the June decline, reports the Board of Governors of the Federal Reserve System. Output of most major market groupings of the Index of Industrial Production, other than consumer durable goods, changed little last month while further reductions occurred in auto and truck output. The Index for July 1979, at 152.1 (1967 = 100), was 0.6 percent below the March level and 0.2 percent above the December Index.

The output of consumer durable goods declined 2.6 percent in July 1979, as production of autos and utility vehicles (which include lightweight personal-use trucks) was reduced sharply.

RV **Financial Facts**

Published quarterly by the Recreation Vehicle Industry Association, 14650 Lee Road, Chantilly, Va. 22021 (703) 968-7722. Eastern Region: 54809 County Road 175, RR7, Elkhart, In. 46514 (209) 294-6567. Western Region: 1748 West Katella Avenue, Orange, Ca. 92667 (714) 532-1688.

John Agno (Thetford Corporation), Chairman, Market Analysis Committee

W. S. Doyle, Jr. (Western Recreation Vehicles), Chairman, Industry Information Committee

John Keaton, Executive Editor
Julia Herron, Editorial Director
Pamela Mooney, Production Coordinator
Kathy Wieczorek, Distribution Coordinator

Unemployment Rate Unchanged From Two Prior Quarters

Employment showed no growth in the second quarter of 1979, marking the first such occurrence since the recovery from the 1974-75 recession began, reports the Bureau of Labor Statistics. Employment was generally little changed over the quarter for all three major demographic groups — adult men, adult women, and teenagers. The employment-population ratio, which also had been on an upward trend since 1975, declined to 59.1 percent from the record 59.4 percent in the first quarter of 1979.

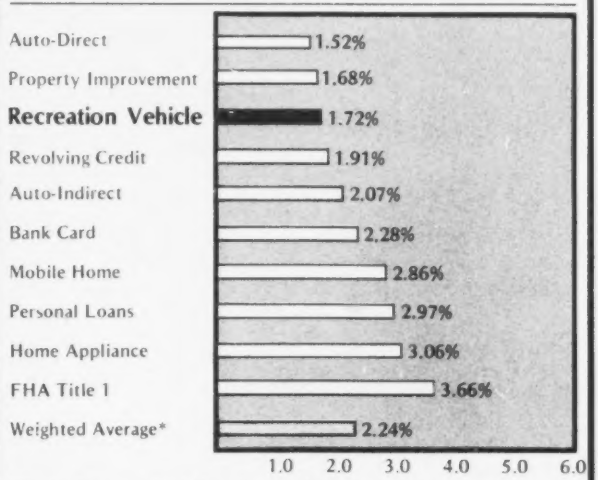
The unemployment rate, at 5.7 percent in the second quarter, was virtually unchanged from the previous two quarters. Jobless rates for the major demographic, industry, and occupational groups registered little or no change over the quarter, although most, including the overall rate, were below year-ago levels.

RV Loan Delinquencies Improve; 3rd Lowest of All Types

The delinquency rate on RV loans averaged 1.72 percent during the second quarter of 1979, and moved up to the third lowest of ten installment loan types charted by the American Bankers Association. RV installment loans held the fourth spot for the last two quarters. The rate for RV loans is well below the 2.24 percent average during the second quarter of 1979 for the weighted average of eight loan types, excluding bank card and revolving credit loans. The comparable rates for the first quarter of 1979 were 2.00 percent for RV loans and 2.35 percent for the weighted average. RV delinquency rates consistently rank among the lowest at U.S. banks.

Delinquency Rates on Bank Installment Loans Second Quarter 1979

(In percent)

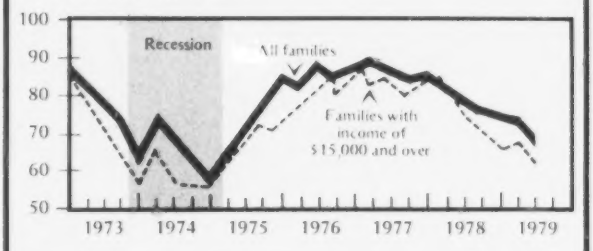


*Weighted average of eight loan types excluding bank card and revolving credit loans.

Source: American Bankers Association, Bulletin No. 408, Second Quarter 1979.

A delinquent loan is defined as one having an installment past due for 30 days or more, and delinquency rates are based on the total number of loans delinquent as a percentage of the total number of loans outstanding.

Index of Consumer Sentiment Quarterly Data, 1973-1979



Source: Survey Research Center, University of Michigan.

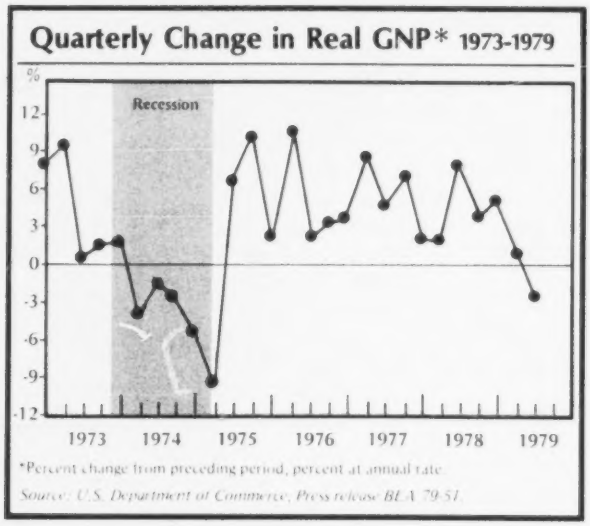
Consumers Wary of Big Buys; Tighten Hold on Spending

Consumer confidence, as reflected by the Index of Consumer Sentiment (ICS) was 60.4 (February 1966 = 100), in July 1979, reports the Survey Research Center at the University of Michigan, Ann Arbor. The ICS has declined 5.4 index points since June 1979, and 22.0 index points from a year ago. The ICS is now just 2.4 index points above its all-time low recorded in February 1975. Record levels of pessimistic business expectations among consumers, both for the near and long term, were recorded in the July 1979 survey.

Among families with incomes of $15,000 or more, the July Index was 55.7, down 4.4 Index points from June, and down 23.9 Index points from July 1978.

According to the Survey Research Center, the decline in consumer confidence during the past year has been steep and widespread. The July survey indicates that pessimistic business expectations have sharply heightened, and are now at record low levels. Continued declines in consumer sales, especially for automobiles and other large discretionary purchases, can be expected throughout the balance of 1979 and into early 1980. Continued inflationary erosion of family budgets, and lowered income growth due to spreading unemployment, threatens to further lengthen the period of decline.

According to some observers, the 1979 recession was primarily caused by OPEC price increases and gasoline shortages. Similarly, many said that the 1974-75 recession was caused by the OPEC oil embargo. The facts are that sharp and significant declines in consumer sentiment anteceded OPEC in both instances, and made the early prediction of recession possible. Failure to recognize that other important causes prevailed acts to misdirect reactions to the current recession, both on the part of public policy and individual business strategies.



Quarter's Growth of 6.7% Marks Nation's Output

Gross national product (GNP), the market value of the nation's output of goods and services, increased $37.3 billion or 6.7 percent at a seasonally adjusted annual rate in the second quarter of 1979 to $2,329.4 billion, reports the Bureau of Economic Analysis at the U.S. Department of Commerce. In the first quarter of 1979, GNP increased $56.9 billion or 10.6 percent.

Real output, GNP adjusted for price changes, declined 2.4 percent at an annual rate in the second quarter, compared with an increase of 1.1 percent in the first quarter. The negative rate of growth was attributable to final sales, which decreased 4.1 percent. The decrease in final sales was partially offset by an increase in inventory accumulation.

Men/Women Earnings Ratio Little Changed in Past Decade

Median earnings of women who worked year-round, full-time in 1977 were about 60 percent of those of men, a proportion that has varied little since 1967. According to the March 1978 Current Population Survey, women's earnings averaged $8,570, and men's averaged $14,850. Among men, relative earnings of blacks compared to whites have risen from 65 percent in 1967 to 74 percent in 1975. In 1977, however, the relationship was back to 69 percent. Relative earnings of black women in 1977 were 93 percent of those of whites, up from 75 percent in 1967, in part because of the sharp decrease in the proportion of black women employed in low-paying jobs as private household workers and a rise in the proportion employed as clerical workers.

Of all persons 16 years old and over who worked during 1977, 65 percent of the men and 42 percent of the women were employed all year (50 to 52 weeks), usually at full-time jobs. This report analyzes the earnings of these men and women and some of the factors that account for the differences in their earnings.

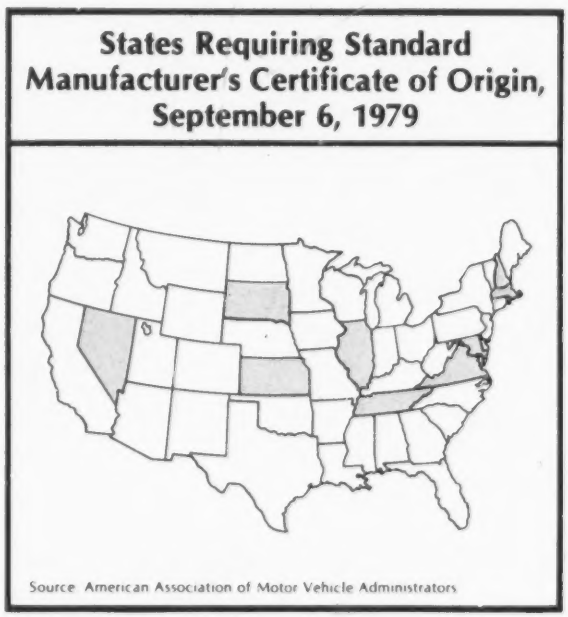
Uniform MCOs for All RVs To Minimize Chances for Fraud Required by 10 States; More On Way

For the past several years, the American Association of Motor Vehicle Administrators (AAMVA) has been working to establish a uniform manufacturer's certificate of origin (MCO), one which would be accepted in all states and would minimize counterfeiting.

An intaglio or engraved printing process with exclusive designs will be used to produce the uniform MCOs recommended by AAMVA thus making it difficult to counterfeit. Because the certificate cannot easily be forged, it will be virtually impossible to steal a new RV from the manufacturer, dealer or transporter and market it with a falsified document. This in turn, gives added security to financial institutions issuing floor planning.

Massachusetts recently stepped ahead by requiring all MCOs accepted by the state for towable and motorized RVs (1980 model year) be printed in a specific manner and incorporate security features not unlike those used to produce paper currency.

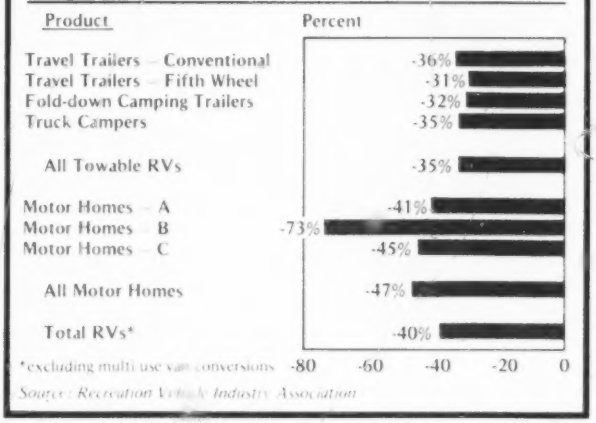
In an effort to prevent other states from requiring a different kind of MCO, the AAMVA has established a uniform MCO which will be accepted in all jurisdictions. The auto makers will begin issuing these uniform MCOs on all cars and trucks produced in the 1980 model year. The new document will be accepted in all states and will eventually be mandated in most.


States Requiring Standard Manufacturer's Certificate of Origin, September 6, 1979
Source: American Association of Motor Vehicle Administrators

As of September 6, 1979, nine more states have joined Massachusetts in requiring the standardized MCO: Delaware, Illinois, Kansas, Maryland, Nevada, New Hampshire, South Dakota, Tennessee, and Virginia.

RVIA, at AAMVA's suggestion, will handle distribution of the serialized MCOs to its members as well as non-member RV manufacturers beginning September 30, 1979.

Recreation Vehicle Shipment Forecast
(Percentage Change 1978-1979)



*excluding multi-use van conversions

Source: Recreation Vehicle Industry Association

Market Analysis Committee Issues Revised Forecast

Shipments of recreation vehicles to retailers for 1979 are expected to be 40 percent below the figures for 1978, according to the revised quarterly forecast issued by the RVIA Market Analysis Committee in June 1979. The revised forecast excludes multi-use van conversions, and is an update of the April forecast which predicted 1979 shipments would end up only 5 percent below 1978.

Motor homes are expected to be down 47 percent, with Type B-van campers being hit the hardest — down 73 percent. Conventional-Type A motor homes are forecast to decline 41 percent and chopped vans-Type C to decline 45 percent.

Towable RVs will fare somewhat better, down 35 percent. All vehicle types in this group show declines, ranging from -31 percent for fifth-wheel travel trailers to -36 percent for conventional travel trailers. The committee will meet again in September 1979 to review the forecast.

Consumer Installment Credit Rate Slows in 2nd Quarter

Consumer installment credit at the end of the second quarter of 1979 totaled $292.5 billion, reports the Board of Governors of the Federal Reserve System. Consumer installment credit outstanding increased in June 1979 by $2.9 billion, seasonally adjusted, the smallest gain of the year. Consumer installment credit outstanding increased in May 1979 by $3.7 billion, seasonally adjusted, and in April 1979 by $4.1 billion, seasonally adjusted. The advance of outstandings in June was equivalent to a 12 percent annual rate of growth, down from the 16 percent in May and well below the 19 percent rate of growth for all of 1978. The rate of growth in consumer installment credit has slowed substantially in the second quarter of 1979.

Bureau of Economic Analysis Reports Slight Wane in Indicators

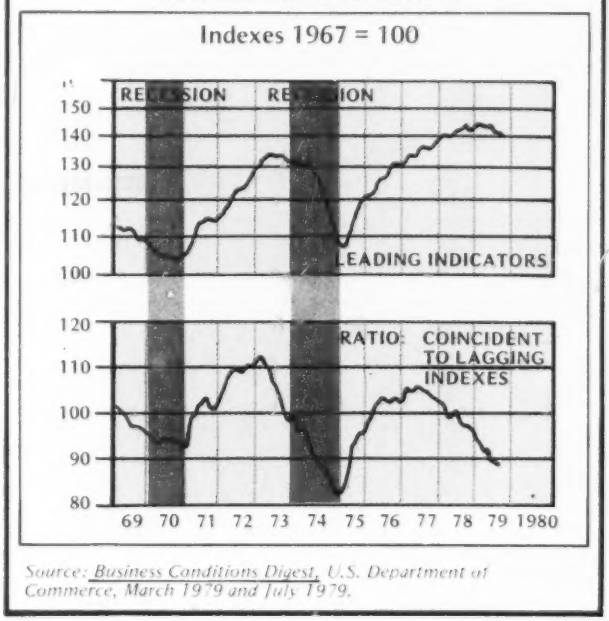
The composite index of leading indicators of the nation's economy decreased 0.1 percent in June 1979 to a level of 140.9 (1967 = 100), reports the Bureau of Economic Analysis, U.S. Department of Commerce. On the basis of more complete data, the May index level was revised to 141.1, which is 0.3 percent above the April level of 140.7.

Five of ten indicators available for June 1979 contributed to the decline in the index: average workweek, layoff rate, vendor performance, change in sensitive prices and new orders in 1972 dollars. Five of ten increased: change in total liquid assets, contracts and orders for plant and equipment in 1972 dollars, stock prices, money supply in 1972 dollars, and building permits. The indicator contributing most to the decline in the index was layoff rate. Of the indicators that increased, contracts and orders for plant and equipment in 1972 dollars had the largest influence on the index.

The composite index of coincident indicators, which is a monthly approximation of aggregate economic activity, declined 0.5 percent in June 1979 to a level of 144.8 (1967 = 100). The ratio of coincident to lagging indicators, which tends to be a leading series, has been falling since March 1977.

Of the total $292.5 billion outstanding at end of June 1979, $144.5 billion was held by commercial banks, $61.1 billion by finance companies, $47.5 billion by credit unions, $23.7 billion by retailers, and $15.7 billion by all others.

Economic Indicators



Source: Business Conditions Digest, U.S. Department of Commerce, March 1979 and July 1979.

Family Budgets Up at All Levels; Bigger Bite in Lower Group

In autumn 1978, the U.S. average cost of the lower budget for an urban family of four was $11,546 a year, while the intermediate and higher levels were $18,622 and $27,420, respectively, reports the Bureau of Labor Statistics. From autumn 1977 to autumn 1978, the total cost of the lower budget rose 10.2 percent, and the intermediate and higher budgets rose 8.9 percent and 8.8 percent respectively. These are the largest increases since 1974. The lower budget rose more than the intermediate and higher budgets in 1978 because of larger increases in housing and taxes.

Estimates for the budgets represent the costs of three hypothetical lists of goods and services to portray three relative standards of living—lower, intermediate and higher. These budgets are for a precisely defined urban family of four: A 38 year-old husband employed full-time, a non-working wife, a boy of 13 and a girl of 8.

Consumption costs rose about 8 percent in the lower budget and 7 percent in the intermediate and higher budgets, with the largest increase among components occurring in food. The change in food costs, approximately 12 percent in the three budgets, comprises a larger proportion of total consumption costs at the lower budget level and, thus, has a larger effect on total consumption costs at that level.

Per Capita Income Average of $7,836 Exceeded in 20 States

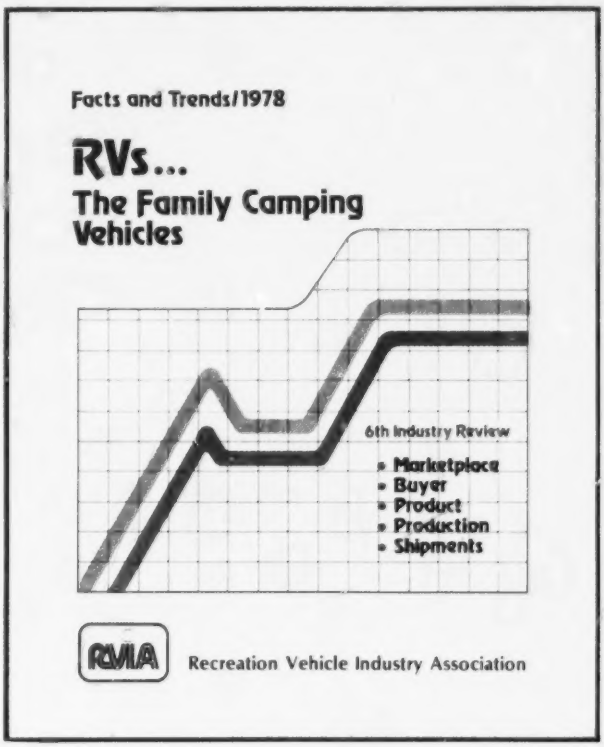
State per capita personal income in 1978 ranged from $10,963 in Alaska and $9,439 in Nevada to $5,529 in Mississippi, according to the Bureau of Economic Analysis of the U.S. Department of Commerce. The U.S. average was $7,836. In the District of Columbia, per capita personal income was $9,924, more than in all States except Alaska.

Most of the 20 states (and the District of Columbia) with per capita personal incomes equal to or above the U.S. average were in the Northeast-Great Lakes manufacturing belt and the far West region. Most of the 30 states with per capita personal incomes below the U.S average were in the Southeast, Southwest, and Plains regions.

The ten states with the largest percentage increases in per capita personal income from 1969 to 1978 were: Alaska, Wyoming, North Dakota, West Virginia, Mississippi, South Dakota, Louisiana, Texas, Idaho, and Alabama. Nearly all these states had below-average per capita personal incomes, and most had large increases in manufacturing, mining, construction, government and private service-type payrolls.

Total personal income consists of private and government wage and salary payments in cash and in kind, other labor income, farm and non-farm proprietor's income, interest, rent, dividends, and transfer payments, less personal contributions for social insurance. It is measured before the deduction of personal income and other personal taxes and is reported in current dollars (no adjustment is made for price changes).

Per capita personal income equals total personal income divided by total population.



6th Review of RV Industry Now in Distribution

Facts and Trends/1978, the sixth annual review of the RV industry, is now available. The review provides information about recreation vehicles — family camping vehicles — and those who produce, market, and own them as well as the associations, clubs, and publishers who serve them. Currently more than 24 million people enjoy the RV lifestyle. The purpose of the 20-page publication is to provide a broad overview of the RV industry and show the interdependent relationships of each segment.

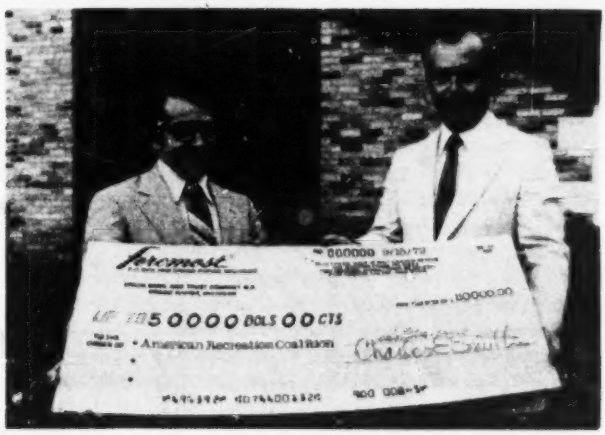
Historical data on the RV industry are provided from 1967 through 1978, including details on the popularity of each kind of vehicle as well as visual and verbal descriptions of the categories.

Facts and Trends was compiled and produced by the marketing and member communications staffs of the Recreation Vehicle Industry Association. Copies of the review may be obtained from the Publications Division, RVIA, 14650 Lee Road, Chantilly, Virginia 22021.

RV Financial Facts

A quarterly newsletter for the financial community about RVs and the family camping industry. . .

Vol. 5, No. 1 December 1979



Dorane R. Strouse (l), executive vice president, Foremost Insurance Company, presents the American Recreation Coalition's Board chairman, David J. Humphreys, with a sizeable contribution to launch the new organization's research, public education and conservation program.

American Recreation Coalition Launched with Research Gift

The newly established American Recreation Coalition has received its first contribution of private funds with the receipt of $50,000 from Foremost Insurance Company, Grand Rapids, MI., a leading insurer in the recreational field. "This contribution, a matching grant, has enabled us to launch our planned research programs and public education campaign in a national energy conservation effort," said David Humphreys, chairman of ARC's Board of Directors.

Foremost's Executive Vice President, Dorane R. Strouse, who presented the $50,000 check to Humphreys, said the award was a full endorsement of ARC's goals. "We intend to support and assist the Coalition in its announced dedication to the protection and enhancement of every citizen's right to pursue health and happiness through leisure-time activities." Foremost insures the owners of nearly 100,000 travel trailers, 50,000 motor homes, 55,000 motorcycles and 60,000 snowmobiles.

Founded last February, ARC formalized its organization and adopted bylaws and a permanent structure on October 19.

The Coalition includes professional and consumer groups, industry and business as well as trade associations

(continued on page 2)

RV Marketing/Finance Forum Hears Good Recovery News

The recreation vehicle industry has good reason to be optimistic about a strong recovery from its 1979 energy-related economic problems, a number of leading authorities in several important related fields said at the Second Annual Marketing/Finance Forum held in Louisville, KY., November 26.

Speaking before approximately 700 RV dealers, manufacturers, suppliers and campground owners, experts in the areas of energy, financing, consumer attitudes and automotive product design left strong clues that the multi-billion dollar RV business might rebound by as soon as the spring of 1980.

William M. Brown, director of energy studies for the prestigious Hudson Institute, predicted there would be a glut of oil on the American market, barring a complete cutoff of exports from Iran and its allies, by spring of next year. He said the glut will come primarily because America's storage tanks will be filled to capacity by February.

Brown, who recently completed a study on the oil outlook for the American Recreation Coalition, also predicted the long-term energy picture would be bright for Americans. Noting that non-OPEC free world oil production has been increasing at a 6 to 8 percent annual rate, he said the OPEC share of the world oil market could decline by as much as 20 million barrels per day within 10 years.

"Such a development would have the effect of driving oil prices downward as OPEC cuts prices to find markets for its oil," Brown said.

He said America has the know-how, the management and the money to free itself of foreign oil, but lacks the political will to do so. If we gained that will, he said, we could be totally independent of foreign oil in 20 years.

(continued on page 4)

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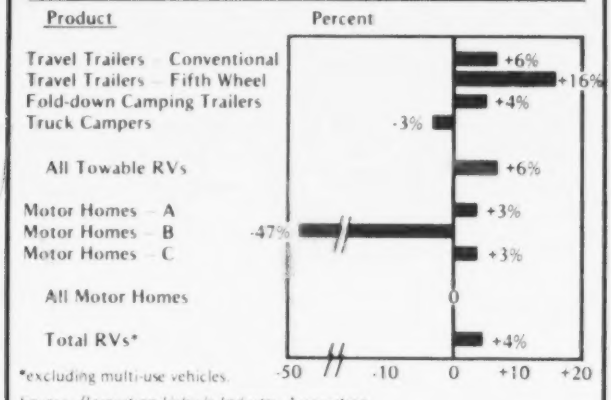
RECREATION VEHICLE INDUSTRY ASSOCIATION RVIA

Recreation Vehicle Shipment Forecast
(Percentage Change 1979-1980)



*excluding multi-use vehicles.

Source: Recreation Vehicle Industry Association

Committee Sees 4% Increase for 1980 Shipments

Shipments of recreation vehicles to retailers for 1980 are expected to total 208,600 units, 4 percent above the figures for 1979, according to the RVIA Market Analysis Committee forecast made October 30, 1979. This forecast excludes multi-use vehicles.

All towable RVs are forecast at 141,900 units, up 6 percent. Fifth-wheel travel trailers are forecast to be the fastest growing segment of the market totaling 18,600 units or 16 percent above 1979. Conventional travel trailers will be up 6 percent, fold-down camping trailers, up 4 percent and truck campers, down 3 percent.

No change is forecast for motor homes as a group. But, type A and type C motor homes are both forecast to be 3 percent about 1979, with 22,800 units and 41,900 units respectively. Type B motor homes are projected to be off 47 percent in 1980.

American Recreation Coalition *(continued from page 1)*

representing organizations that are interested in preserving recreation as part of the American lifestyle.

The group has already received a preliminary report on a study of the future oil outlook commissioned from Herman Kahn's prestigious Hudson Institute. Copies of the completed study will be sold upon its completion.

The organization has two membership classifications — contributing members, eligible to participate in all functions, programs, and meetings. Voting members have these same privileges plus being able to vote for representatives on the Board of Directors.

The Executive committee is headed by David J. Humphreys, RVIA, as chairman; Mortimer B. Doyle, International Snowmobile Industry Association, vice-chairman; Joseph Prendergast, American Ski Federation, treasurer; Dr. Donald Hawkins, George Washington University, secretary; William France, National Motorsports Committee; Paul Veltman, Foremost Insurance Company, and Matthew Kaufman, National Marine Manufacturers Association.

Since the group was organized in February, 50 members have joined the organization which is headquartered at 499 South Capitol Street, S.W., Suite 408, Washington, D.C. 20003.

Berner Stresses Strong Banker--RV Industry Vibes

"The business climate of the 1980s is going to be turbulent with many economic and social influences affecting its course and direction," said Robert L. Berner, Vice President, Citicorp, New York, NY, at the RVIA Second Annual Marketing/Finance Forum, held in Louisville, KY, November 26. "More than ever before the 80s will demand a cooperative and supportive role equally shared by all facets of the RV industry—the dealers, manufacturers, suppliers, campground operators, and the financial community. Their combined ability to first recognize and then to manage the change before it occurs may well determine their success or failure."

Berner, with over 25 years of experience in the consumer and sales finance industry, was optimistic on the RV industry's future. From a lender's point of view he cited many positive points he could make about the future of RVs. 1) the expected growth in the number of households in the U.S., 2) the increase in disposable income (income after taxes), 3) the economy of RV use, 4) the multiple uses of RVs, including the use of RVs as second cars by many families, and 5) the attractive vacation lifestyle that RVs offer.

RV dealers also heard a few words of advice for 1980 from Berner. He told them to analyze their RV business and study their current position, then consult with lenders and manufacturers about dealer inventories for 1980. He went on to emphasize that the key issue for retailers in 1980 is to maintain a balanced inventory.

Consumer Credit Expanded 3rd Quarter

Consumer installment credit outstanding at the end of the third quarter of 1979 totaled $303.9 billion, reports the Board of Governors of the Federal Reserve System. Of the total outstandings, commercial banks held $148.7 billion, finance companies $64.8 billion, credit unions $49.2 billion, and other lenders $41.2 billion.

Despite high interest rates, installment credit expanded by $4.45 billion, seasonally adjusted, in September. The September expansion is up sharply from the preceding three months and slightly above the previous high of $4.40 billion, seasonally adjusted, recorded in December 1978. The annualized rate of growth was 18 percent in September, resulting in a third quarter average of 13 percent. Growth during the first half of 1979 was 15 percent following a 19 percent expansion in 1978.

RV **Financial Facts**

Published quarterly by the Recreation Vehicle Industry Association, 14650 Lee Road, Chantilly, Va. 22021, (703) 968-7722. Eastern Region: 54809 County Road 17S, RR7, Elkhart, In. 46514, (209) 294-6567. Western Region: 1748 West Katella Avenue, Orange, Ca. 92667, (714) 532-1688.

John Agno — Thetford Corporation, Chairman, Market Analysis Committee
W.S. Doyle, Jr. — Western Recreation Vehicles, Chairman, Industry Information Committee
John Keaton — Executive Editor
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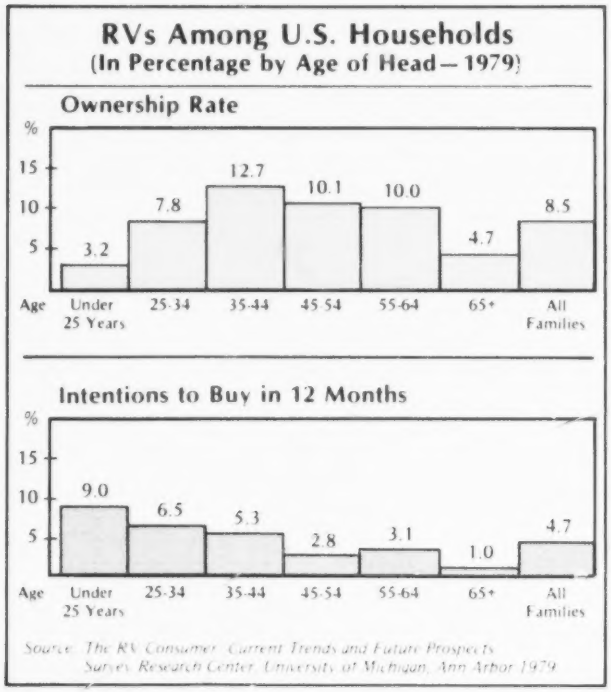
Kathy Wieczorek — Distribution Coordinator



Research Study Reveals RV Ownership, Usage Trends

Preliminary findings on "The RV Consumer: Current Trends and Future Prospects" were presented by Richard T. Curtin of the Survey Research Center, (SRC), University of Michigan, Ann Arbor, at the RV Marketing/Finance Forum held in Louisville, KY., November 26. The data presented are the result of a nationwide monthly telephone survey which began in May 1979 and will continue through 1980.

The initial 7-month analysis covered the physical and purchase characteristics of RVs, the ownership of RVs among U.S. households, number of days used, the relationship of actual to expected use of RVs, usage patterns of RVs, the replacement demand for RVs, intentions to rent or purchase an RV, and reasons for not buying. The analysis covers all RVs by type and consumers by demographic characteristics.

The survey revealed that of all recreation vehicles, 40 percent are purchased new, 41 percent are purchased with credit and 22 percent are purchased using an RV trade-in. The ownership rate (families owning RVs as a percent of all families) was 8.5 percent. Households with the following characteristics showed the highest RV ownership rates; owning four or more vehicles (22.8 percent); living in the West (13.1 percent); having an income of $25,000 and over (11.6 percent); 35-44 years of age (12.7 percent); holding a high school diploma (10.5 percent); and having three or more children (13.1 percent). Of all families 4.7 percent expressed intentions to purchase an RV during the next 12 months, while 11.6 percent indicated intentions to rent during the next 12 months.

The complete recreation vehicle study as presented at the Forum may be obtained by writing Marketing Department, Recreation Vehicle Industry Association, P.O. Box 204, Chantilly, Virginia 22021.

Subsequent findings will be released at a later date.

1980 RV Designs Save Energy; Some Provide Dual Fuel Systems

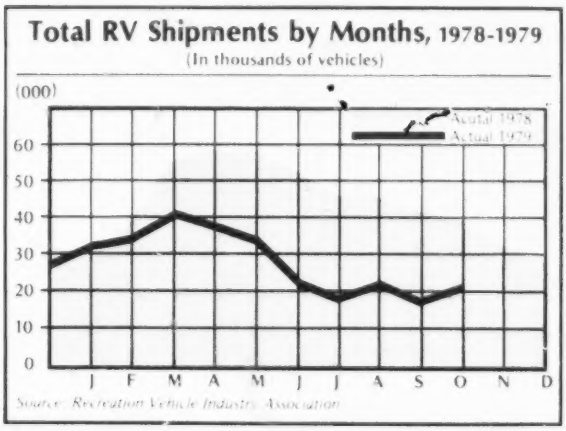
Having learned from the energy related programs brought on by Arab oil embargoes and inflation, energy efficiency has been the hallmark of RV manufacturers' products exhibited in this fall's RVIA trade shows. Modified engines, lighter weight, and aerodynamic design were obvious characteristics of the 1980 lines of RVs displayed at the Dodger Stadium Show in Los Angeles, CA. in October, and the National RV Show in Louisville, KY., in late November.

A number of manufacturers displayed many motor homes and van campers with modified engines which use LP gas (liquid petroleum) as an alternative fuel source for the vehicle. The switch by several RV manufacturers to fuel systems that can handle LP gas is probably the most visible example of innovations and improvements being made by the RV industry in response to needs of an increasingly energy-conscious society. The advantages of LP gas are impressive: it costs only about half as much as gasoline and is only slightly less efficient, it burns cleaner and there's a worldwide surplus of it.

Aware that every 100 pounds of extra weight decreases energy efficiency by one to two percent, manufacturers displayed trailers which were easily towable by a compact car.

Aerodynamic changes in RV technology were also featured by exhibitors. Changes in size, frontal area and shape efficiency of vehicles are all part of the new look of recreation vehicles.

(continued on page 4)



Shipments Below '78 Levels

Shipments of recreation vehicles from manufacturers' plants to retailers were 58,000 units in the third quarter of 1979, 55.6 percent below the same period a year ago, according to the RVIA Monthly Shipment Surveys. Monthly shipments totaled 19,700 in July, 20,700 in August and 17,600 in September.

For the first nine months of the year, 255,900 units have been shipped, 39.1 percent below 1978 levels.

For the month of October 1979, the latest data available, total RV shipments were 20,500 units, 48.3 percent below the 39,700 units shipped in October 1978. Through the end of October, 276,400 units have been shipped.

Marketing/Finance Forum *(continued from page 1)*

Robert L. Berner, vice president of Citicorp, the second largest commercial banking company in the U.S., offered the industry an encouraging word on another topic of immediate concern when he said it is highly likely the prime interest rate, which has reached record levels in the past few months, would soon peak and begin to decline. That day, several large U.S. Banks lowered their prime to 15½ percent from the record 15¾ percent.

With this leading to more money available for consumer loans, he said, there's no reason the RV industry won't continue to attract the financial community's attention.

Two leading authorities from the automotive world added other positive notes to the forum.

Robert C. Honke, RV sales manager, Ford Motor Company, predicted a good spring market for the industry in 1980, and warned dealers that if they don't keep their inventories at reasonable levels, they might experience a shortage on their sales lots when consumers come around with the warm weather. He also mentioned that the towing capacity of the average car in America will be down to 3500 lbs. by 1985. However, Honke said, as federal regulations are interpreted today, Detroit will still be producing trucks up to 1990 capable of handling the travel trailers on the road and on the market today.

Gordon C. Cherry, director of truck product planning for Chrysler, said he felt "the need to be mobile and enjoy the greatness of America's outdoor resources is much greater than today's problems" and that "the economics of RV travel are favorable for any foreseeable gasoline price." He said Chrysler compared the costs of using a camping trailer and a motor home to driving a car and staying in motels for a family of four on a two-week trip, and came up with the conclusion that up to $2.50 a gallon for gasoline, an RV beats any other form of travel except hitchhiking.

Richard T. Curtin, director of surveys of consumer attitudes at the University of Michigan's Survey Research Center, noted one important finding of his study was that a clear majority of current RV owners, despite today's energy problems, would purchase another recreation vehicle.

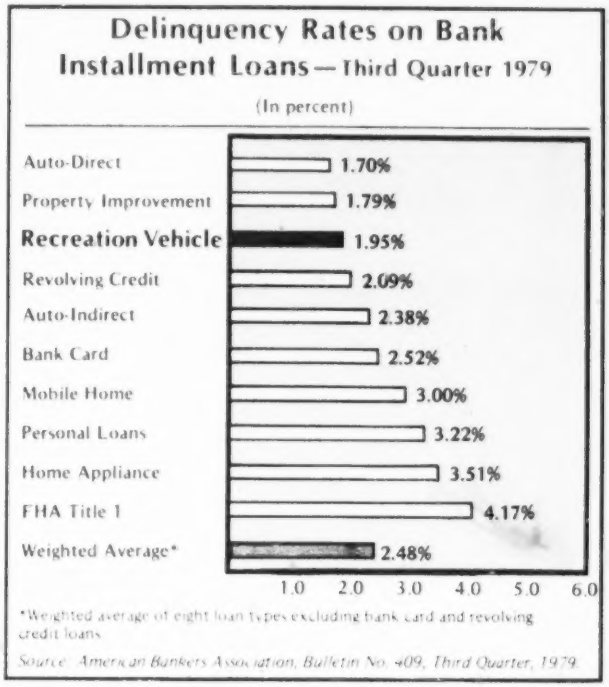
The forum was held at the Commonwealth Convention Center in downtown Louisville in connection with RVIA's 17th annual National RV Show, which took place November 27-30 at the Kentucky Fair & Exposition Center. The Market Analysis and Industry Information Committees of RVIA sponsored the event. John Agno, Thetford Corporation, Ann Arbor, MI., chairman of the Market Analysis Committee, moderated the five-hour program.

Cassette recordings of the forum are available from Meetings Internationale in Louisville, Kentucky. For more details, see the enclosed order form.

1980 Product Designs *(continued from page 3)*

In addition to the vehicles, RV component suppliers also exhibited new energy efficient products. The industry has made design changes in response to the needs of an increasingly energy-conscious society.

Efficiency achievements of the RV industry are highlighted in a new 12-page booklet, "RV Conservation By Design." A free copy of the booklet may be obtained by writing: RVIA, Dept. CBD, P.O. Box 204, Chantilly, Virginia 22021. (Quantity orders of at least 10 are available at 35 cents per copy.)


Delinquency Rates on Bank Installment Loans—Third Quarter 1979
(In percent)
Auto-Direct 1.70%
Property Improvement 1.79%
Recreation Vehicle 1.95%
Revolving Credit 2.09%
Auto-Indirect 2.38%
Bank Card 2.52%
Mobile Home 3.00%
Personal Loans 3.22%
Home Appliance 3.51%
FHA Title 1 4.17%
Weighted Average* 2.48%
1.0 2.0 3.0 4.0 5.0 6.0
*Weighted average of eight loan types excluding bank card and revolving credit loans.
Source: American Bankers Association, Bulletin No. 409, Third Quarter, 1979.

RV Loan Repayment Rate Continues Among Nation's Best

The delinquency rate on RV installment loans averaged 1.95 percent during the third quarter of 1979, the third lowest rate of ten installment loan types charted by the American Bankers Association. The rate for RV loans is well below the 2.48 percent average during the third quarter for the weighted average of eight loan types, excluding bank card and revolving credit loans. The comparable rates for the second quarter were 1.72 percent for RV loans and 2.24 percent for the weighted average.

RV installment loan deliquency rates consistently rank among the lowest at U.S. banks. A delinquent loan is defined as one having an installment past due for 30 days or more, and delinquency rates are based on the total number of loans delinquent as a percentage of the total number of loans outstanding.

Eggert Group Predicts Upturn By 3rd Quarter 1980

Real gross national product (GNP) is projected to drop 1.0 percent during 1980, according to the November 1979 consensus of 40 of the nation's leading economists collected by Robert J. Eggert, Eggert Economic Enterprises, Inc. The downward shift in the forecast came after the Federal Reserve moved to hike interest rates and tighten money.

The panel still expects the recession to be shorter and milder than average. Real GNP is estimated to decline 1.7 percent from peak quarter to trough, against the 2.7 percent average of five recessions since World War II. The panel expects the upturn to start in the third quarter of 1980, which would make this recession a bit shorter than the 11-month postwar average.

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RV Financial Facts

A quarterly newsletter for the financial community about RVs and the family camping industry. . .

Vol. 5, No. 1 Spring, 1980

Fuel Efficient RVs, Customer Variety to Lead Born-Again Industry "Re-define; Re-merchandise;" Lund

Predicting "a new renaissance for recreation vehicles in which fuel-efficient RVs open up customer variety and choice in ways we've barely thought about up to now," Robert Lund, general manager of Chevrolet, told RV industry leaders at last month's RVIA Annual Meeting in Las Vegas that "Like baseball, hot dogs, apple pie and Chevrolet, the RV industry is here to stay."

"I have a reputation for being optimistic," said Lund, who is also a vice president of General Motors. "And when it comes to recreation vehicles, I can do so legitimately and confidently because I think that for you—as for us—the best years are ahead."

Lund based his optimism on the RV industry's "capacity to analyze itself, and change" and on his belief that "the American people do not want to give up the freedom of enjoying the country's great outdoors with their families and friends."

"I see the recreation vehicle industry growing bigger, stronger and more profitable than ever," he said. But it needs to be a re-created industry. Re-defined. Re-connected to what America is looking for. Re-merchandised in a way that convinces your customers and ours that they can hold on to their lifestyles without jeopardizing other national or personal interests.

"If you'll do that, the golden age of personal transportation is just beginning," Lund said.

The Chevrolet executive was the keynote speaker at RVIA's Annual Meeting, held March 20–22 at the Las Vegas Hilton. He addressed approximately 200 top manufacturers and suppliers in the industry at RVIA's traditional Chairman's Dinner on March 20.

"Our business is cyclical. It always has been and it always will be," Lund said. "When you look back over any

(continued on page 4)

Robert C. Lund, Vice President of General Motors and General Manager of the Chevrolet Division, gives his upbeat marketing message to RVIA members at their annual meeting.

Other Highlights

RV Loan Repayment Rate High	page 2
Wheelchair Market Growing	page 2
Congress Forms Travel Caucus	page 3
Plenty of Vacation Gas	page 4

RV Finance Committee Formed To Build Strong Industry Ties

RVIA has created a new Finance Committee, the purpose of which is to build a stronger and more stable relationship between RV lenders and top officials of the $4 billion-a-year industry.

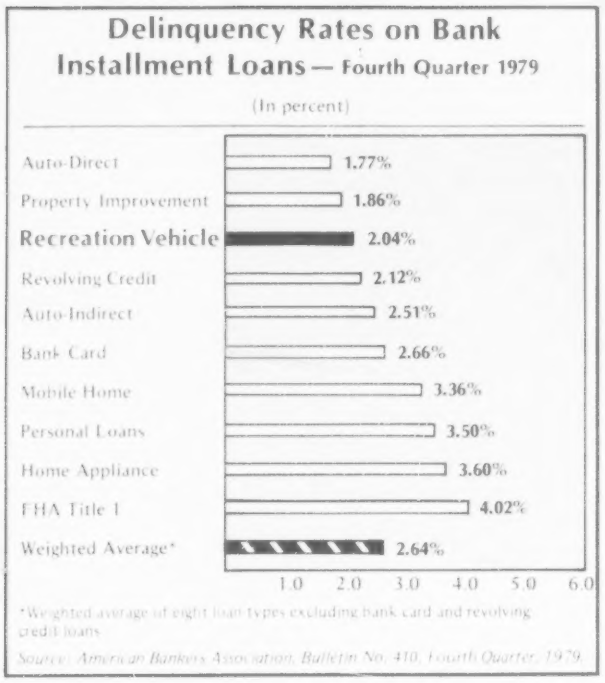
The first meeting of the new committee will be Tuesday, June 3 at the Dulles Marriott Hotel in Washington, D.C.

"Financing is essential to the RV industry," RVIA President and General Counsel David J. Humphreys said in a letter to key lenders on April 25. "Time and again we have been reminded of this fact and occasionally we have attempted to address the issue. However, not until the present crisis has RVIA formally agreed to recognize financing as the single most critical factor affecting our industry today."

"As a result, we have decided to commit ourselves to a long-term program to open up communications with our lenders. Our objective is not to demand immediate relief from our current problems, but to begin now to build a

(continued on page 2)

RECREATION VEHICLE INDUSTRY ASSOCIATION RVIA


Delinquency Rates on Bank Installment Loans — Fourth Quarter 1979
(In percent)
Auto-Direct 1.77%
Property Improvement 1.86%
Recreation Vehicle 2.04%
Revolving Credit 2.12%
Auto-Indirect 2.51%
Bank Card 2.66%
Mobile Home 3.36%
Personal Loans 3.50%
Home Appliance 3.60%
FHA Title I 4.02%
Weighted Average* 2.64%
1.0 2.0 3.0 4.0 5.0 6.0
*Weighted average of eight loan types excluding bank card and revolving credit loans
Source: American Bankers Association, Bulletin No. 410, Fourth Quarter, 1979.

ABA Finds RV Owners Keep High Repayment Rating

RV time buyers don't want to risk losing their RVs; they pay their monthly installment loans on time. In fact, RV buyers have the third best delinquency rate of any of the ten loan types regularly charted by the American Bankers Association.

The fourth quarter, 1979, delinquency rate for RV buyers was 2.04%–a rate bested only by the repayment rate of direct auto loans with 1.77% and property improvement loans at 1.86%. The RV rate was considerably better than that of the weighted average of 2.64% for eight loan types, exclusive of bank card and revolving credit loans.

During the third quarter last year, RV buyers had a delinquency rate of 1.95%, while the weighted average came in at 2.48%. RV installment loan delinquency rates consistently rank among the lowest at U.S. banks, moving up to third position from the fourth in the second quarter of 1979 and remaining there during the balance of the year.

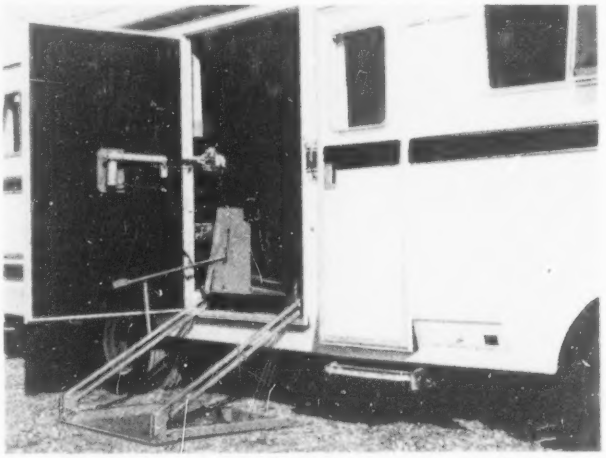
A delinquent loan is defined as one having an installment past due for 30 or more days; delinquency rates are based on the total number of loans delinquent as a percentage of the total number of loans outstanding.

According to the ABA, Georgia, with an RV delinquency rate of 1.23% was the lowest of all states, followed closely by Alabama with 1.31% rate. Of the high sales volume states, California with 1.77%, Arizona with 1.80% and Florida with 1.57% were well below the average RV rate.

Finance Committee *(from page 1)*

stronger and more stable relationship between us with the hope that in the future the impact of situations such as today's will be lessened."

Humphreys said lenders who would like to serve the industry by becoming members of the new committee should call RVIA's Chantilly, Va. headquarters before June 1.



Wheelchair lift, shown at ground level position, can be installed in an RV to enable a handicapped person to enjoy a new freedom of lifestyle.

RV Wheelchair Market Growing

RV manufacturers are looking to a market that has heretofore been largely untapped—custom designing RV units for the physically handicapped. Handicapped people who yearn to travel and have been discouraged by the barriers and difficulties that public transportation sets before them are turning to RVs to provide them with a new freedom and access to a whole new world of discovery and adventure.

Today's motor homes, trailers and converted vans provide the physically disabled with vehicles that can be tailored specifically to their individual needs. As a follow through, many private campgrounds as well as national and state parks now equip those facilities to welcome the handicapped RV owner.

Many manufacturers are entering this market and are equipped to do custom designing and can install wheel chair litts or design interiors with custom beds, low-level appliances, see through ovens, grab bars, fold-away shower seats, and easy-reach electrical switches . . . all to allow the disabled citizen access to the world that everyone else takes for granted.

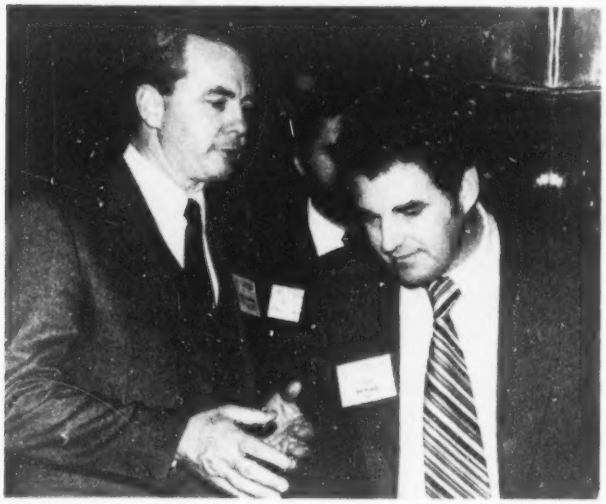
Probably one of the most popular types of RVs for the handicapped is the converted van, which is simply a panel-type truck with the interior space converted to living area. Most include collapsible or rigid roof extensions to provide more headroom. While it is more compact than the conventional motor home, the converted van can contain all essential facilities and quipment for temporary living while

(continued on page 4)

RV **Financial Facts**

Published cooperatively by the Communications, Marketing, and Public & Legislative Affairs Committees of the Recreation Vehicle Industry Association as a service to the financial community. Recreation Vehicle Industry Association, 14650 Lee Road, Chantilly, VA 22021 (703) 968-7722. Eastern Region: 54809 County Road 17S, RR7, Elkhart, IN 46514. Western Region: 1748 West Katella Avenue, Orange, CA 92667 (714) 532-1688.

Frank Rotta (Winnebago Industries), Chairman, Communications Committee; **John Agno** (Thetford Corporation), Chairman, Marketing Committee; **R.D. Henry** (Overland Industries), Chairman, Public & Legislative Affairs Committee.



Congressman Ken Kramer (R—Colorado), r., and RVIA President and General Counsel David J. Humphreys spend an informal moment at the Congressional Travel and Tourism Caucus dinner.

Congress Forms Travel, Tourism Caucus Humphreys on Advisory Board; Administration Pledges Cooperation

In a significant demonstration of recognition of the importance of America's recreation and travel industries, the United States Congress has formed a new caucus which will guarantee that the interests of those industries are considered when government policies are developed.

The new Congressional Travel & Tourism Caucus, with more than 200 U.S. Congressmen as members, is already the biggest caucus in the history of the U.S. House of Representatives.

"We're extremely excited about it," said David J. Humphreys, president and general counsel of Recreation Vehicle Industry Association. "This will give travel and tourism, America's third largest industry, a long overdue strong voice in the U.S. Congress and open doors for us in all branches of government. It's a great opportunity."

The new undertaking is off to a good start with President Carter's top domestic advisor, Stuart Eizenstat, pledging that the Administration will consider the industry's needs when major policies, such as those involving energy, are established.

Eizenstat said the Administration is looking for ways of improving its data base of information that would be helpful to the tourism industry. He also said that a member of his staff has been assigned to make sure that tourist and travel interests are considered in major decisions that affect the industry.

Rep. James D. Santini, D-Nev., chairman of the Caucus, predicted that the Caucus will lead to "a much heightened role and involvement on the House side" in the area of assisting the tourism industry.

Santini and the Caucus staff will be guided by a Caucus Advisory Board, made up of leaders from the travel and tourism industries. RVIA President Humphreys was one of 30 persons chosen by Santini from among hundreds of candidates to serve on the Board.

The recreation vehicle industry has played a prominent role in the Caucus from its very beginning. When the new group held its first annual fundraiser on January 30 in Washington, to raise money to hire a full-time staff, members of the Recreation Vehicle Industry Association showed their support by purchasing 25 tickets to the $250-per-plate affair.

"We believe strongly in this endeavor," Humphreys said. "Government on all levels has simply got to be more sensitive to its decisions, and we believe this Caucus is going to help tremendously in leading our government leaders to realize that."

"This Caucus represents a significant achievement for recreation and tourism," he said.

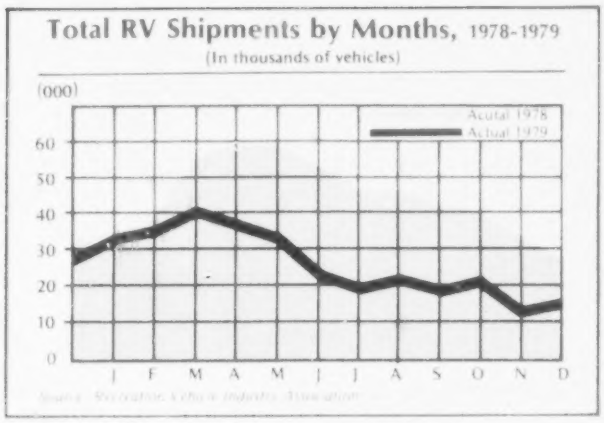
122 Days in Leisure Year; Takes 7% of Personal Expenses

Expenditures on leisure activities, especially outdoor recreation, represents a major and growing segment of the American economy, having reached $81.2 billion in 1977, $20 billion more than in 1974, reports the U.S. Department of Commerce. This spending represents 7 percent of total personal consumption expenditures and covers outlays for a multitude of leisure pursuits. The $81.2 billion does not include such expenditures as transportation and lodging connected with pleasure travel, vacation homes, and public recreation. When these and other related activities are added, the combined total is much higher, estimated in 1977 at $160 billion. This represents over 8 percent of the gross national product.

The two major factors that have encouraged the explosive development of recreational markets have been time and money. In the past two decades, Americans have seen almost steady improvement in the amount of their time and money availability for leisure pursuits. The average worker gets a "leisure year" of 122 days (one-third of the total year). The leisure year offers significant opportunities for outdoor recreation—fifty two-day weekends, a vacation period averaging 16 days, and at least five three-day weekends. On the money side, real per capita disposable income has been climbing steadily over the years, a fact that has contributed to the rise in discretionary income (money available for spending on items other than basic necessities).

The surge in the young adult population which will continue for the next few years is favorable for most segments of the recreation industry. The 25 to 34 years of age group is more than 50 percent larger than a decade ago and should increase by another 35 percent over the next decade. Another favorable demographic factor affecting recreation industries is the geographic movement of the population. During the next decade, the South is expected to increase its population by 20 percent, the Mountain States by 18 percent, while at the same time large population centers in the East and Midwest will decline.

Findings are in "The Growth of Selected Leisure Industries" released by the U.S. Department of Commerce—Industry and Trade Administration. Copies may be obtained through the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, Stock Number 003-009-00319-9.



RV Shipments Total $3.5 Billion

Shipments of recreation vehicles from manufacturers plants to retailers totaled 51,800 units in the fourth quarter of 1979, down 48% from the comparable period of a year ago, according to data compiled by RVIA's Marketing Committee from its monthly survey of member shipments.

Monthly shipments totaled 20,500 in October, 14,700 in November and 16,600 in December. The last quarter of the year is historically the lowest, pending manufacturers' introduction of new models.

RV shipments for the year 1979 totaled 307,700, a decrease of 42% from the 1978 total of 526,300. The total retail value of 1979 shipments was $3.5 billion, down 37% from 1978's retail value of $5.6 billion.

Wheelchair Market *(from page 2)*

traveling or camping.

A list of RV manufacturers who modify vehicles for the handicapped can be obtained by sending a long, self-addressed stamped envelope to RVIA Publications Division, Dept. HWC, Box 204, Chantilly, VA 22021.

Fuel Efficient RVs *(from page 1)*

period of time, the sales charts look like roller coasters. But there's a secret to these charts—those sales curves—that a group as experienced as you certainly understands. Cycles don't necessarily end by themselves. They are ended by decisive actions."

In taking those decisive actions, Lund said, RV manufacturers would be well advised to consider two major trends in today's marketplace. First, he said, there's the obvious trend toward more fuel-efficient vehicles. Second is the trend to individuality.

"That's going to be stronger than ever," he stated. "The "Me" generation is going to be even more so. And that can be great for recreation vehicles—not the old kind of vehicles, but the new kind."

"I said I am very optimistic about recreation vehicles," Lund told his audience. "But I am not necessarily optimistic if you stand pat. I am not optimistic if you wait for today's consumer moods to pass. The buyer has changed. You've got to change. Don't make your stand on yesterday's configurations and yesterday's winners. Re-create your business."

"You can have fantastic growth. You can be more profitable than you've ever been. Your best years are ahead," he said.

Vacation Gas Plentiful

There's plenty of gasoline for summer vacation driving—and the price situation is easing. That good news for RV owners and other motorists is the opinion of the editors of the prestigious Lundberg Letter, an authoritative summary of news and trends within the oil industry.

The Lundberg editors cite strong stocks of crude oil, a scant likelihood of supply interruptions from abroad, and softer wholesale and retail prices as basis for their positive prediction. Other noted sources, including the weekly Kiplinger Washington letter, agree. They, too, carried a favorable outlook story in a recent issue.

According to Lundberg, prices at both wholesale and retail levels are softer now than at any time since before the 1979 shortage. The average U.S. wholesale price of regular unleaded gasoline went up only 2.4 cents per gallon in April—considerably lower than the 5.9 cents per gallon monthly increase from December through March.

The rate of retail increase is much slower, too—only 0.4 of 1 cent per gallon, compared with a full 1 cent per gallon a week during the preceding year. Retailers are cutting their margins and beginning to make some price cuts in order to move all of their allocations—lest they risk loss of future allocations.

Gasoline stocks were at an all-time new record of 280.6 billion barrels as of April 11, according to the American Petroleum Institute. This surplus combined with decreased public consumption has forced oil companies to make larger supplies available.

Lundberg also reports that consumer demand was down 8.6% in the first quarter of 1980 from 1979, and the oil companies have made an even greater quantity available to retailers.

While the federal allocation system tends to muddle the availability picture, the mild winter with its subsequent drop in demand for crude has given motorists the assurances they need that the long-planned vacation will not be ruined because of a gasoline shortage.

New Survey Findings Highlight RV Consumers

More than half of the consumers who borrow money to purchase RVs are under the age of 44, reports the University of Michigan's Survey Research Center in a new study on RV consumers commissioned by RVIA. That translates to encouraging news for RV lenders in light of a recent Conference Board report (FF, Jan. 1979) showing 9 million new households headed by persons in that age group expected by 1985.

The new RVIA study is highlighted by a score of equally important findings. *Financial Facts* will carry a complete report —including an analysis of the findings by the study's author, nationally-known economist and consumer attitudes researcher Richard T. Curtin—in its next issue. Watch for it!

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RV Financial Facts

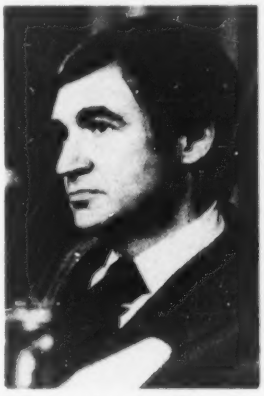
A quarterly newsletter for the financial community about RVs and the family camping industry . . .

Vol. 5, No. 2 Summer 1980

No Plans to Seek Further Gasoline Allocation from Congress: DOE

"Price Best Regulator" - Sawhill

The Department of Energy has no plans to ask Congress for authorization to continue to allocate gasoline when the present authority expires in September. Nor does the DOE contemplate using symbolic gestures such as banning the use of Christmas tree lights or curtailing gasoline for boats. Those positive signs for the RV industry, along with DOE's reiteration of its stand against going to an energy rationing program, were given at the May 22 Conference on Energy, co-sponsored by the DOE and the newly formed U.S. Congressional Travel and Tourism Caucus.



John Sawhill

According to Deputy Energy Secretary John Sawhill, who was one of those who spoke before the 400 Conference registrants, "price (not regulation) is the best way to balance supply and demand, and market forces are more efficient than anything the government could decree." Sawhill gave his personal assurance that the symbolic gestures were not being considered.

Congressmen, personnel from government agencies, and representatives of the travel, tourism, and recreation industries attended the Conference held in Washington. Included on the day-long agenda were a series of ten panel workshops on subjects pertaining to energy conservation and how it can be achieved by various segments of the public and energy-related industries. David J. Humphreys, president and general counsel of RVIA, chaired the panel on Motorized Recreational Products. Other panel members represented the National Marine Manufacturers Association, the Motorcycle Industry Council, the International Snowmobile Association, the National Campground Owners Association, and the American Recreation Coalition. The Conference also featured an exposition in which RVIA had an exhibit that included demonstrations, cutaway models, and a slide presentation that covered some of the innovative ways in which the RV industry is showing its commitment to energy conservation.

(more on page 6)

Federal Reserve Chairman Paul Volcker (center) gets a briefing on the RV industry from RVIA executive vice president Elden L. Smith (r) and David J. Humphreys, president and general counsel. RVIA chairman David R. Miller and secretary Warren Jones, who are not pictured, also attended the June 5 meeting in Volcker's office.

Industry Leaders Meet Volcker To Urge Easing of Credit Controls

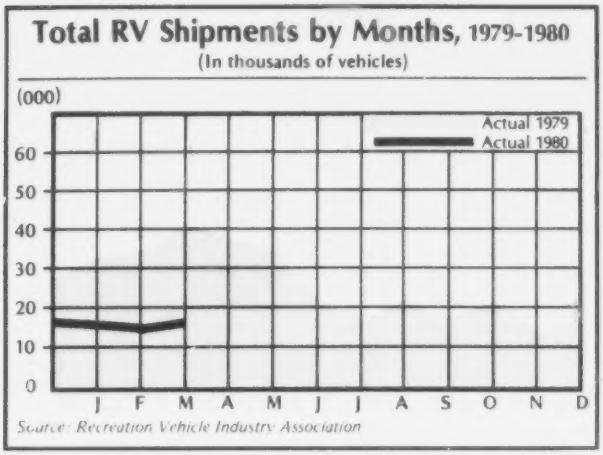
Four top officials of the RV industry have gone directly to Federal Reserve Board Chairman Paul Volcker with their concern over the effects of high interest rates and credit controls on the industry.

"Ours is an industry especially dependent upon discretionary spending," the leaders told Volcker. "As efforts are made to cool off the economy, it is important that small businesses not be driven out of business altogether. We encourage you to continue as rapidly as possible to withdraw consumer credit controls."

The group spent about one hour with Chairman Volcker and found him to be extremely interested in the make-up of the RV industry, the variety of its products, as well as how the industry is treated by banks. Volcker assured the executives that any 'relief' made available to auto companies would also be made available to RV companies.

The meeting was held in Volcker's office on June 5 and the message was delivered by four executives of RVIA. Heading the group was David R. Miller, RVIA chairman, and chairman of the Board of the Travel Equipment Cor-

(more on page 6)



Demand Up, Sales Down; Buyers Wait for Lower Rates

Shipments of recreation vehicles from manufacturers' plants to retailers totaled 47,900 units in the first quarter of 1980, down 54% from the comparable period of a year ago, according to data reported to RVIA's Marketing Committee from a monthly survey of its membership.

January shipments totaled 15,900 units; February, 15,600; and March, 16,500.

In spite of the adverse effects of gasoline and money shortages during the past two years, however, the overall picture is not gloom and doom. "There are no indications that we are facing a long-term disaster," asserts RVIA president and general counsel, David J. Humphreys. In an address to the annual conference of the Outdoor Writers Association of American in early June, Humphreys stated, "The demand is still there. It's changed somewhat—the recent study by the University of Michigan Survey Research Center (see page 3) showed that, more than 15% of America's 70 million families plan to purchase, or at least rent, an RV sometime in the next year."

Many people who had plans to buy an RV this year have obviously been deterred by the excessive interest costs. "When interest rates have gone down to what most Americans consider a 'reasonable' level, we expect sales to pick up gradually," said Humphreys. "We aren't expecting an overnight change—consumers will go slow at first, especially in the purchase of discretionary items. But unofficial talks with manufacturers and dealers around the country point to a general feeling that there has been some improvement in sales in the past 30 days . . . and a real pent-up demand for RVs. We do feel there will be solid improvement in 1981."

Humphreys also cited the strides the manufacturers and their suppliers have made in the past two years in producing vehicles that are more in tune with an increasingly energy-conscious America. "Both facets of this industry are working to improve design and reduce weight in the name of better mileage," said Humphreys. "Several manufacturers are producing motorized units that run on the less expensive, more abundant propane fuel. We're going to be less vulnerable to any gasoline shortages in the years ahead."

Carter Thanks RV Industry For Energy Conservation

President Jimmy Carter has sent a personally-signed letter to RVIA's president and general counsel, David J. Humphreys, thanking the RV industry for its efforts to conserve energy.

"Thank you for your commitment to promote the conservation of fuel used in transportation. Our Nation's security requires us to reduce our dependence on foreign oil, and your contribution to this effort is valuable and greatly appreciated," wrote Carter.

Two weeks earlier, on May 16, Humphreys was invited to the White House to meet with Presidential aide Anne Wexler, Carter's closest staff liaison with the business community, to discuss the industry's fuel conservation efforts. At that time, Humphreys told Wexler of the efforts being made by RV manufacturers and suppliers to build more energy-efficient vehicles and of RVIA's on-going campaign to encourage the wise use of energy by RV owners. Humphreys also told about RVIA's work in helping to organize the American Recreation Coalition in 1979, which has fuel conservation as one of its primary goals.

Wexler was impressed with the industry's accomplishments and asked President Carter to send RVIA his personal thank you. In the letter, Carter said he was asking the Departments of Energy and Transportation to contact RVIA to offer assistance "in meeting our common energy-conservation goals."

"We're extremely honored by this recognition," Humphreys said, "and we plan to continue doing everything we can to help the President fight the energy problem. He's singled us out as a leader in energy conservation, and we intend to be a leader as long as energy continues to be a problem."

"Even though RV sales during 1979 were far below the mid-'70s, we're encouraged by the fact that more than 300,000 Americans bought RVs last year," stated Humphreys. "RV rentals are brisk, and we know that many renters will become buyers as soon as the economy turns around."

"We've been down for the count once before (following the Arab oil embargo in 1973) . . . but within two years sales had rebounded to record levels. We look for history to repeat itself for this industry."

RV Financial Facts

Published cooperatively by the Communications, Marketing, and Public & Legislative Affairs Committees of the Recreation Vehicle Industry Association as a service to the financial community. Recreation Vehicle Industry Association, 14650 Lee Road, Chantilly, VA 22021, (703) 968-7722. Eastern Region: 54809 County Road 17S, RR7, Elkhart, IN 46514. Western Region: 1748 West Katella Avenue, Orange, CA 92667, (714) 532-1688.

Frank Rotta (Winnebago Industries), Chairman, Communications Committee; **John Agno** (Thetford Corporation), Chairman, Marketing Committee; **R.D. Henry** (Overland Industries), Chairman, Public and Legislative Affairs Committee.

7,500 Households Surveyed

U. of Mich. Study Debunks RV Market Myths

Prospects Good for Sales in 80s As Baby Boom Generation Grows Up

Nearly 6 million of the 70 million vehicle-owning families in the United States today—about one out of every 12—are recreation vehicle owners, and chances are just as good as not that the heads of those 6 million RV families don't fit the commonly accepted stereotypes of RV users.

In fact, the potential market for recreation vehicles encompasses a far bigger segment of the American population as a whole than has been long believed by most industry observers.

Richard T. Curtin

Those are among the major findings of a new study on consumer attitudes conducted by the prestigious University of Michigan Survey Research Center under the direction of its nationally-known economist and consumer attitudes researchers Dr. Richard T. Curtin.

The study was commissioned by RVIA. More than 7,500 heads of American households were interviewed, of which 8.3% reported ownership of an RV—either a motorhome, travel trailer, folding camping trailer, converted van or truck camper.

The study debunks several widespread beliefs about RV owners, most notably the idea that only persons with lots of money, children or free time on their hands own RVs.

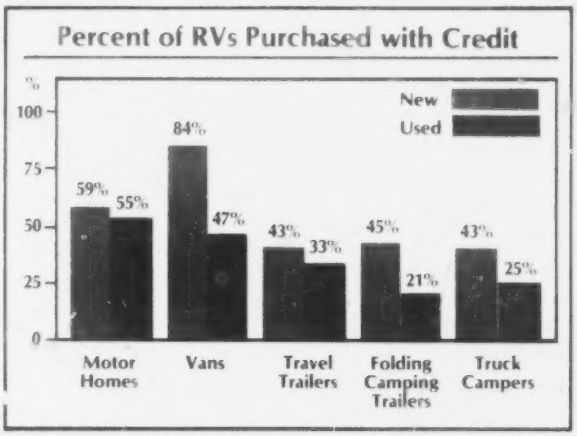
For example, the survey shows that just as many RV owners have no children at home as do. While this may surprise many industry watchers, it shouldn't, says Dr. Curtin, who notes this simply reflects a trend in this country toward non-traditional, often-childless families (53% of all American households have no children living in them) and indicates that the RV industry is penetrating this huge market.

"RVs are definitely family vehicles," Dr. Curtin says, "but it's important to remember that family and children don't always mean the same thing anymore."

On the other hand, Dr. Curtin says, the belief that an unusually large portion of the RV market is made up of elderly, retired persons who enjoy plenty of leisure time is also a fallacy. The survey revealed only 8% of all RV owners are 65 years old or older.

The biggest percentage of RV owners (24%) falls into the age group of 35 to 44, a fact that represents a very favorable prospect for the future of RV sales, according to Dr. Curtin.

"The fastest growing segment of our society is the 25 to 34-year-old baby boom generation," he notes. "That means the biggest single portion of our population will be moving into the highest traditional RV purchase rate age category in the next decade."



The new study, which took Dr. Curtin and his team of researchers a year to complete, also contradicts the notion that RVs are basically for the rich only.

Not A Rich Man's Toy

While it is true, as expected, that those in the highest income bracket ($25,000 and up) have the highest ownership rate—11.6% of all families in this category own RVs—the survey clearly demonstrates there is widespread ownership of recreation vehicles among middle-income families as well. Some 10.6% of all American families with incomes between $20,000 and $25,000 are RV owners and 9.6% of those with incomes between $15,000 and $20,000 have recreation vehicles. In fact, the survey shows that exactly half of all RVs are owned by families with incomes under $20,000.

A big part of the explanation for the widespread ownership among middle-income families can be found in two significant discoveries made by the study: Six out of every ten recreation vehicles are purchased used, and there's a wide variety of RVs on the market which come in a range of prices that make them affordable for nearly every income group.

Cash or Credit?

Most used recreation vehicles are purchased with cash, the survey reveals, while the majority of purchasers of new RVs take out loans in order to become owners. A total of 55% of new RV buyers borrowed when they made their purchase, while only 34% of the purchasers of previously-owned vehicles used credit.

Credit is used most often in the purchases of vans, and least often in the purchases of folding camping trailers and truck campers, according to the study. Some 68% of van buyers (including a whopping 84% of new van purchasers) use credit, while only 30% of those who buy the less expensive new and used folding camping trailers and truck campers borrow. A total of 58% of all motorhome buyers use credit, while 38% of travel trailer customers borrow in order to buy.

"Credit is most frequently used in the purchase of vans because vans are most often purchased by young people who generally are not as well financially established as older people," Dr. Curtin notes. "Also, young people have been raised in a society which strongly believes in the use of credit. Many older people, on the other hand, were brought up in an environment which frowned on being in debt, and a good portion of them still believe in paying in cash or not buying."

(more on page 4)

Study Debunks *(from page 3)*

More than half of all van buyers are under the age of 35. On the opposite end of the stick, more than two-thirds of all motorhome and travel trailer owners are past the age of 45.

The survey also found that four out of five RV buyers use no trade-ins when they make their purchase. When they do make a trade-in, it is most often another RV they trade, although in the case of vans it is just as likely the trade-in vehicle would be a car.

High Replacement Demand

One of the most noteworthy discoveries of the study, according to Dr. Curtin, is the "highly encouraging" response his Survey Research Center team received when they asked current RV owners whether they would replace their vehicles with another RV. More than six out of ten said they would, with a heavy majority indicating they would buy the same type of vehicle they presently own or a type which generally sells for more money.

The study also made an interesting finding with regard to geographic sales of recreation vehicles. It shows that while a family in the Western region of the country is more likely to own an RV than a family in any other region, the West does not dominate the nationwide RV sales picture as so many industry observers have long believed. Of all the RVs in this country, 34% are owned by Westerners, but a surprising 29% are owned by Southerners and a strong 26% by families in the North Central region of the U.S. Only the Northeast lags behind, with an 11% share of the market.

Dr. Curtin explains the strong showing by Southern and North Central purchasers by noting general population trends in the country today. More than 32% of the 70 million vehicle-owning households in the U.S. are now located in the South, while 28% are in the North Central region. The West and Northeast each hold approximately 20%.

"The geographic finding is a good example of what this study has taught us in general about RV consumers—that their demographics are much more likely to be in tune with the demographics of the American population as a whole than they are to match up with their stereotypes," Dr. Curtin says. "The belief that RV owners make up a small segment of society is not at all true. RV families cut into just about every slice of the American pie. For that reason, it's hard not to be convinced that they will be a part of the American culture forever."

The University of Michigan study is titled "The RV Consumer: Current Trends and Future Prospects." RVIA members will receive a complimentary copy. Copies are available to non-members for $2, which covers postage and handling, from Marketing Committee, RVIA, 14650 Lee Road, Chantilly, VA 22021.

1980 RVs Designed for Energy Conservation

Folding Camping Trailer

Travel Trailer

Motor Home

Travel Trailer

Berner Named Chairman New RVIA Finance Committee

The formation of a RVIA Finance Committee has just been announced by Board Chairman David R. Miller of Travel Equipment Corporation, Goshen, IN. He has named Robert L. Berner, vice president of Citicorp, New York City, as its chairman. The committee brings the number of regular RVIA standing committees to 11.

R.L. Berner

Members of the financial community comprise the largest segment of the membership of the new committee, although several representatives of RV manufacturing firms are also represented.

"There has been a long-time need for better understanding between the lender and the RV manufacturer, supplier, the retailer, and the buyer," said Berner. "Each can learn from the other, and the Finance Committee looks forward to being a conduit between the two communities."

Berner, with more than 25 years of experience in RV financing, is well qualified for the chairmanship as he is respected and well known by both financial and RV leaders. He has been responsible for the establishment of financial programs for both RV manufacturers as well as dealers.

The new Finance Committee is an outgrowth of a recent ad hoc group which met in Washington in early June as part of RVIA's regular Committee Week. That group was in agreement that the financial community needs to be better informed on who, where, and what the RV industry is and pledged to do all they could to work for better communication between the financial community and the RV industry for the benefit of both.

During the June meeting, the finance group also met with the RVIA Communications Committee under the chairmanship of Frank Rotta of Winnebago Industries. Together the two factions presented a five-point action program to the RVIA Board of Directors with the recommendation that it be adopted as soon as possible. The program was accepted.

One part of the program speaks to the development of a survey to determine the wholesale and retail lending experiences of financial firms. This is in work.

Another recommendation was that RVIA conduct special seminars exclusively for financial executives. These are already scheduled for the opening days of RVIA's two fall shows—on November 5 at the Dodger Stadium Show in Los Angeles, and on December 2 when RVIA will open its Louisville (KY) National Show. Included on the agenda of both of those two programs will be the findings of the financial survey conducted this summer.

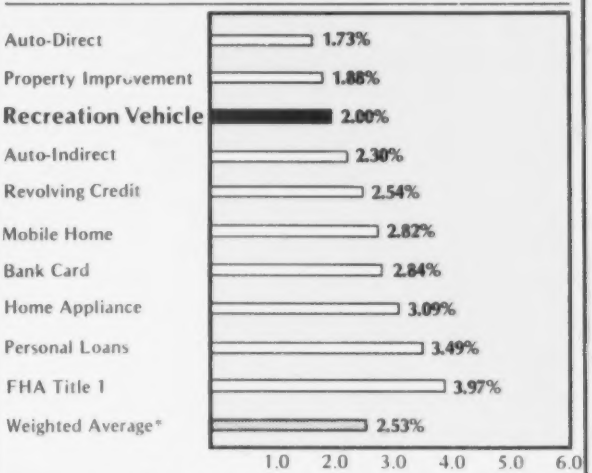
Still a third recommendation was that the association expand its list of contacts with the financial community through increased distribution of this quarterly publication, *Financial Facts*. This is being implemented through the coupon appearing on page 6. Those who wish to be added to the list to receive a free copy each quarter are requested to complete the data and return the coupon to RVIA headquarters.

Other suggestions authorized by the Board were that RVIA participate in meetings and expositions sponsored by other financial organizations such as the American Bankers Association and the National Consumer Finance Association as well as the establishment of a planned itinerary of

(more on page 6)

Delinquency Rates on Bank Installment Loans— First Quarter 1980

(In percent)



*Weighted average of eight loan types excluding bank card and revolving credit loans.

Source: American Bankers Association, Bulletin No. 411, First Quarter, 1980

RV Delinquencies Down; Keep High Repayment Rate

People who buy RVs on a time basis continue to maintain their good ratings on the loan delinquency charts. RV loans stood third highest in the loan repayment rates of the ten types of loans charted regularly by the American Bankers Association, at the end of the first quarter.

The seasonally adjusted delinquency rate for RV loans was 2.00%, an improvement over the fourth quarter rate of 2.04%. The RV percentage was topped only by direct auto loans with a rate of 1.73% and property improvement loans at 1.88%. The RV rate was considerably better than the weighted average of 2.53% for eight loan types, exclusive of bank card and revolving credit loans.

The RV loan delinquency rating has maintained its third position since the second quarter of 1979 when it moved up from the fourth position.

A delinquent loan is defined as one having an installment past due for 30 or more days, and the rate of delinquency is based on the total number of loans delinquent as a percentage of the total number of loans outstanding.

The above statistics seem to bear out the premise that people who have RVs enjoy them . . . and will continue to use them . . .despite the costs of gasoline and operation . . . and once they have one, they are not going to risk losing it by defaulting on payments.

The RVIA exhibit at the Conference on Energy was a popular meeting place. (L to R), Douglas Wendell, executive director, U.S. Congressional Travel & Tourism Caucus; David J. Humphreys, president and general counsel, RVIA; Congressman Jim Santini, (D-NV), chairman, U.S. Congressional Travel and Tourism Caucus; James Summers, executive vice president, Recreation Vehicle Dealers Association; Paul Powell, executive vice president, American Recreation Coalition; W.G. Carpow, executive vice president, RVIA; and David Hodgin, chairman of the board, National Campground Owners Association.

No Gas Allocation *(from page 1)*

These included demonstrations of a honeycomb cellular panel construction and a propane carburetion system, both of which are in use in construction methods of family camping vehicles. A RVIA booklet, *RV Conservation by Design,* highlighting many conservation methods used by manufacturers was also distributed. Copies of the booklet are available at no charge by writing the Public Relations Division, RVIA, Dept. FF, Box 204, Chantilly, VA 22021.

The U.S. Congressional Travel and Tourism Caucus, formed in mid-winter, is the largest in the House of Representatives with more than 250 members. Further evidence of the increasing awareness by the Congress of the importance of travel and tourism to the well-being of both the individual and the economy of the several states is the formation of a comparable T&T Caucus in the Senate with Senator John Warner (R-VA) as its chairman. Rep. Jim Santinin (D-NV) is the chairman of the House Caucus.

Volcker Meeting *(from page 1)*

poration, a Goshen, Ind., manufacturer. He was accompanied by Elden L. Smith, RVIA first vice chairman and vice president of the RV Group, Fleetwood Enterprises, California-based manufacturer, Warren F. Jones, RVIA secretary, and executive vice president of Hehr International, Long Beach, CA, manufacturers and distributors of windows for recreational vehicles, as well as David J. Humphreys, RVIA president and general counsel.

Berner Chairman *(from page 5)*

contacts with leading financial organizations by RVIA president and general counsel, David J. Humphreys. These plans are now being formulated.

Others to whom an invitation has been extended to join the finance committee are: Mike Dacko, General Electric Credit Corp., Stamford, CT; Joseph L. Lombard, American Acceptance Corp., Philadelphia, PA; Robert Rawlings, C.I.T. Financial Service, New York, NY; Don Knust, Citicorp Person-to-Person, Inc., St. Louis, MO; Joseph L. Bradley, Bank of America Center, San Francisco, CA; and Steve Moore, First Virginia Bank, Falls Church, VA; and representing the manufacturers, Robert Weston, Skyline Corporation, and Gordon E. (Mike) Gilbert, Coachmen Industries, both of Elkhart, IN; and David Leichy, Fleetwood Enterprises, Riverside, CA.

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RV Financial Facts

A quarterly newsletter for the financial community about RVs and the family camping industry . . .

Vol. 5, No. 3 Fall, 1980

Robert L. Berner

Richard Curtin

David J. Humphreys

LENDERS' DAYS MARK OPENING OF BOTH GIANT RV SHOWS

Two Coming RVIA Expos Herald '81 Product Lines

Two of the RV industry's longest running and most respected shows and expositions, both sponsored by RVIA, will be held within 30 days of each other this fall to herald the introduction of the 1981 product lines of family camping vehicles.

In addition to displays by both manufacturers and suppliers of the most energy-saving, innovative and advanced product designs that the industry has yet produced, both shows will sponsor two special events on consecutive days. Each will have an all-industry forum for manufacturers, retailers, campground operators, RV association executives, and other allied groups on the day prior to the start of each show, while the opening day of each show has been designated as Lenders' Day, at which time a special seminar exclusively for members of the financial community will be held.

First on the calendar is the 28th Annual Recreation Vehicle and Manufactured Housing Show to be held at Dodger Stadium in Los Angeles, November 5 to 7. The 18th National RV Show will follow a month later, December 2 to 5, at the Kentucky Fair & Exposition Center, Louisville.

In all, more than 3,000 industry representatives are expected at the Dodger Stadium Show, which is co-sponsored by the Western Manufactured Housing Institute and will

(continued on page 4)

Special Seminars, Tours Set For Financial Executives

Seminars designed exclusively for members of the lending community will be sponsored by RVIA in conjunction with each of its two major fall shows, Robert L. Berner, vice president of Citicorp, New York, and chairman of the RVIA Finance Committee, has announced.

The seminars will be open only to officials of banks, finance companies, credit unions and other lending institutions. They are intended for executives of institutions currently involved in RV financing as well as for those who are interested in learning more about the industry.

Both seminars will be held on the opening days of the RVIA shows, the first on November 5 at the Dodger Stadium Show in Los Angeles, the second on December 2 at the National RV Show at the Kentucky Fair & Exposition Center in Louisville. They will be held in the mornings from 9:30 a.m. through early afternoon and will take place at the show sites.

"We've arranged these so that a busy official of a lending institution can make the seminar, see the industry's new products on display at the show and be on his way all in a day's time," Berner said. "The opening days at both shows will be lenders' days. The lenders will be the special guests of the industry on those days."

"This represents just one way in which we're making a new, increased effort to reach out to the lenders and create

(continued on page 4)

RECREATION VEHICLE INDUSTRY ASSOCIATION RVIA

Michael Dacko, James Konrath and Newton Chamberlain (from left), top officials of the General Electric Credit Corporation, are briefed on the buyer interests and energy design innovations of the RV industry by RVIA president and general counsel David Humphreys and two RV manufacturers, David Leichey, Fleetwood Enterprises and Mike Gilbert, Coachmen Industries.

C.I.T. Financial Services executives were given an update on the RV picture by David Humphreys, president and general counsel (back to camera). Other industry participants (l to r) were David Leichey, Fleetwood Enterprises, Mike Gilbert, Coachmen Industries, and Gary LaBella, RVIA, who visited with C.I.T. officials Robert Rawlings, Paul Wannemacher and Med Serif.

Goal: Two-Way Communication

RVIA Leaders Start Series of Personal Visits with Key Lenders

August Trips on East Coast; St. Louis and San Francisco in October

With financing at the top of the RV industry's list of current and long-term concerns, representatives of RVIA, headed by David J. Humphreys, president and general counsel, have started a program of personal visits with officers of key lending institutions across the nation.

Using data proving the credit worthiness and future intentions of RV buyers, the association representatives seek to assure the lending community that RV financing will remain profitable in the years ahead.

The visits began in mid-August with officials of the General Electric Credit Corporation in Stamford, CT and C.I.T. Financial Services in New York City.

Five additional visits in the St. Louis and San Francisco areas are scheduled for October. The personal one-on-one contacts are part of a major program RVIA is currently undertaking in an effort to create an ongoing dialogue with the financial community and follow a recommendation made by the RVIA's newly appointed Finance Committee to the Board of Directors.

Robert Berner, vice president of Citicorp, New York City, serves as chairman of the Finance Committee. Other members are: Joseph J. Bradley, Bank of America, San Francisco; Michael Dacko, General Electric Credit Corp., Stamford, CT; Joseph Gessiness, Bangor Punta Acceptance Corp., Goshen, IN; Joseph L. Lombardo, American Acceptance Corp., Norristown, PA; Robert R. Rawlings, C.I.T. Financial Services, New York City, NY, and, representing the RV manufacturing community, David Leichey, Fleetwood Enterprises, Riverside, CA; and Mike Gilbert, Coachmen Industries, Middlebury, IN.

Model Accessories Store Subject of "Profits" Panel, Exhibit

A special first-time-ever feature of the National RV Show in Louisville will be the exhibit of a model RV accessories store. The 20' × 40' store display, a presentation of the Warehouse Distributors Association, will be fully stocked with some 5,000 items valued at $30,000 retail. Officials of WDA will man the store and talk to dealers about how they can realize a profit through the successful operation of an accessories store.

At the end of the show, WDA will give away the entire contents of the store, excluding shelving and fixtures, to the lucky dealer registrant, whose name is drawn. Louisville dealers can register for the store drawing by visiting the WDA exhibit; dealers who attend the Dodger Industry Forum can qualify for the Louisville drawing by completing the proper registration form available at the Forum.

Two Popular Expos Herald '81 Lines *(from page 1)*

feature nearly 500 family camping vehicles as well as 70 manufactured homes. That show will be open to the public from November 7 to 11 when it is expected to attract more than 100,000 enthusiasts of the RV lifestyle.

The Louisville-based Show, which occupies nearly one-half million square feet, will feature nearly 1,000 of the industry's 1981 models. In addition, parts and accessories ranging from interior furnishings such as carpeting, fabrics, and accessory items to solar panels will highlight a giant exposition by suppliers to the industry.

(continued next column)

Sid McClellan of Overland Industries, Orange, Ca., is chairman of the Dodger Show Committee, while Charles Willibrand, Play-Mor Trailers, Westphalia, Mo., is the chairman of the National Show Committee.

RV Financial Facts

Published cooperatively by the Communications, Marketing, and Public & Legislative Affairs Committees of the Recreation Vehicle Industry Association as a service to the financial community. Recreation Vehicle Industry Association, 14650 Lee Road, Chantilly, VA 22021, (703) 968-7722. Eastern Region: 54809 County Road 175, RR7, Elkhart, IN 46514. Western Region: 1748 West Katella Avenue, Orange, CA 92667, (714) 532-1688.

Frank Rotta (Winnebago Industries), Chairman, Communications Committee; **John Agno** (Thetford Corporation), Chairman, Marketing Committee; **R.D. Henry** (Overland Industries), Chairman, Public and Legislative Affairs Committee.

Industry Marketing Forums Lure Early Birds to Shows

A major Industry Forum will be a special feature on the day preceding the opening of both the 28th Annual Recreation Vehicle and Manufactured Housing Show at Dodger Stadium in Los Angeles and the 18th Annual National RV Show at the Kentucky Fair and Exposition Center in Louisville. Near identical programs will be presented.

Both forums will be open to all those who plan to attend the shows—dealers, manufacturers and supplier exhibitors, lenders, as well as other industry personnel.

William Burke

The Dogder Show forum will be held November 4 from 1 p.m. to 5 p.m. in the Bunker Hill Room of the Los Angeles Hyatt Regency Hotel. The show will be open to the industry November 5 to 7 and to the public Nov. 7 to 16 at Dodger Stadium.

A similar Industry Forum on December 1 will precede the RVIA-sponsored National Show and will be held from 1 p.m. to 5 p.m. in the East Wing of the Kentucky Fair and Exposition Center in Louisville.

Dr. William Burke, vice president of economic information, Federal Reserve of San Francisco, will be the keynote speaker at the Dodger forum. He will speak on the general economic climate of the U.S. and other issues relating to the family camping vehicle industry.

Keynote speaker for the Louisville Show is to be announced.

Tom R. Gibson, light truck sales manager of the Ford Motor Company's Truck Division in Detroit, will be on both programs. He will talk about what Detroit foresees in 1981 for car and truck sales and will address the question, "Has the Consumer Changed His Buying Habits?"

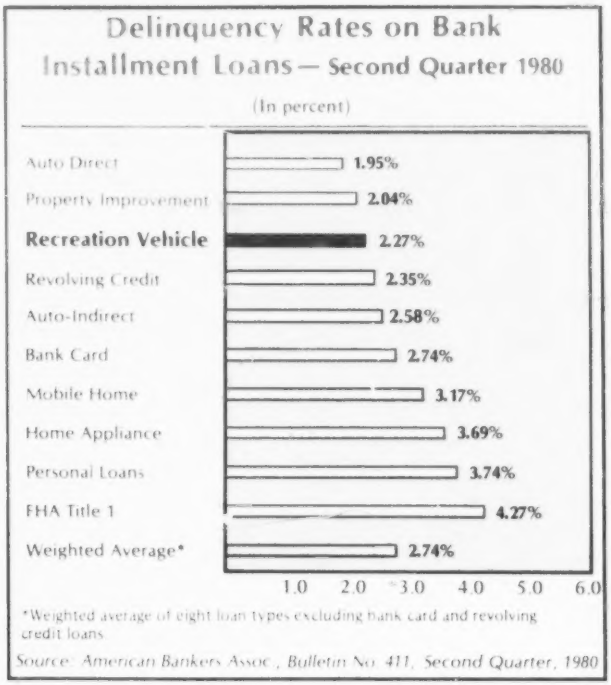
Dr. Richard Curtin, director of surveys of consumer attitudes at the University of Michigan, will also speak at both events, on the "Potential RV Rental Market".

"The RV Rental Unit" will be given by John Ostaf, president-owner, Motor Camping of North America, a Richmond, British Columbia firm that specializes in RV rentals. "Financing the RV Rental" will be the subject of still another presentation.

"The Profit Potential from RV Parts and Accessories" will be presented at both forums by Grayson Schwepfinger, veteran Pennsylvania RV dealer representing the Hardison Institute. He will also moderate a panel presentation by members of the Warehouse Distributors Association on, "Guidelines for Profits", detailing the profit possibilities in the operation of a parts and accessories business.

Basis for the commitment to the Industry Forum at both the Dodger and National Shows is the success of a similiar event held in connection with the Louisville Show last December. It attracted more than 600 industry representatives,

(continued on page 4)


Delinquency Rates on Bank Installment Loans— Second Quarter 1980
(In percent)
Auto Direct 1.95%
Property Improvement 2.04%
Recreation Vehicle 2.27%
Revolving Credit 2.35%
Auto-Indirect 2.58%
Bank Card 2.74%
Mobile Home 3.17%
Home Appliance 3.69%
Personal Loans 3.74%
FHA Title 1 4.27%
Weighted Average* 2.74%
1.0 2.0 3.0 4.0 5.0 6.0
*Weighted average of eight loan types excluding bank card and revolving credit loans.
Source: American Bankers Assoc., Bulletin No. 411, Second Quarter, 1980

RV Owners Good Credit Risks; Keep High Loan Repayment Rating

Recreation vehicle loans continued their position as third highest in the loan repayment rate in comparison with 9 other loan types for the second quarter of 1980, according to data released by the American Bankers Association.

The seasonally adjusted delinquency rate for RV loans was 2.27%, up slightly from the 2.00% rate at the end of the first quarter. The RV percentage was topped only by direct auto loans with a rate of 1.95% and property improvement loans at 2.04%. These categories are both also up from the first quarter, when auto direct loans had a rate of 1.73% and property improvement loans were at 1.88%. Of the 10 loan types charted by ABA, only revolving credit loans with a rating of 2.35% showed a decrease over the first quarter when their rating was 2.54%.

RVs Exceed Weighted Average

The RV rate was considerably better than the seasonally adjusted weighted average of 2.74% for eight loan types, excluding bank card and revolving credit loans.

This marks the fifth successive quarter in which RV loans have maintained their third position rating, having moved up from the fourth position in the second quarter of 1979.

The ABA defines a delinquent loan as one having an installment past due for 30 or more days, and the rate of delinquency is based on the total number of loans delinquent as a percentage of the total number of loans outstanding.

This good rating for RV loans reflects owner enthusiasm for the RV lifestyle and their continued use of their units despite the costs of gasoline and operation. Many owners are taking shorter trips and using their RVs for frequent week-end mini vacations, rather than having the expense of longer, cross-country excursions.

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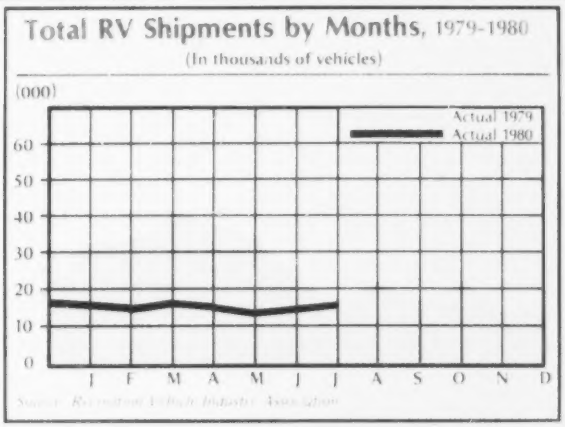

July Shipments Break Records

July shipments of family camping vehicles from manufacturers' plants to retailers were up! This marks the first time since records were begun in 1968 that July figures were better than any of the prior three months.

The total of 14,800 units shipped in July was the best monthly report since March when a total of 16,500 units were shipped. The July figure even surpasses April's total of 14,300 as well as June's shipment of 13,400. Total shipments for the second quarter of 39,800 were in keeping with their customary decline from the first quarter when 47,000 were shipped.

The July upturn bears out the data ascertained by the University of Michigan's Survey Research Center in its recently completed year-long study of RV consumers, which revealed that 15% of America's 70 million families plan to purchase, or at least rent, an RV sometime in the next year.

Humphreys on Two Task Forces

David J. Humphreys, RVIA president and general counsel, has accepted appointments to serve on two special task forces established by the Advisory Board of the U.S. Congressional Travel & Tourism Caucus. The appointments were announced by Rep. James D. Santini (D-Nev.), chairman of the Caucus.

Humphreys will serve on the Special Task Force on Emergency Response to Rationing as well as the Special Task Force on Policy and Decision-Making. He will be among 10 travel and tourism industry representatives working closely with the Department of Energy (DOE) during the pre-implementation phase of the proposed standby gas rationing program, providing input on the method and impact of implementation.

All-Industry Marketing Forums (from page 3)

according to John Agno, Thetford Corporation, Ann Arbor, MI, chairman of RVIA's Marketing Committee.

Advance registration for the Industry Forum of each show is $40; registration on the day of each event–either November 4 or December 1–will be $45. Registration for the November 4 event can be made by sending prepayment to RVIA's Western Region Office at 1748 West Katella Ave., Orange, CA 92667 and for the December 1 meeting in Louisville by sending a check to RVIA, P.O. Box 34477, Washington, D.C. 20034.

RVIA's Annual Meeting On Eve of National Show

The RVIA annual membership meeting has been moved forward to coincide with the activities of the National Show at Louisville. It will be held Monday evening, December 1, at the Hyatt Regency Hotel in downtown Louisville.

One of the highest executives of the Ford Motor Company will give the keynote address. He will speak at 7:30 p.m., following the reception scheduled for 6:30 p.m. The Chairman's Dinner and annual meeting will follow his address, at which time members will hear reports by Chairman Miller and President David Humphreys on the activities of the association. Awards will also be given at the dinner to members who have contributed to the progress of the RV industry and the association through their services. Members of the financial community who wish to attend can make a reservation for the evening by contacting the RVIA Meetings and Shows Department, Telephone: (703) 968-7722.

Lenders' Days for Financial Executives (from page 1)

an improved, on-going dialogue with them," reports David J. Humphreys, president and general counsel of RVIA. "We have committed ourselves to improving communication with the lending institutions as a number one priority, and this is one of the ways by which we're following through on that commitment. We're well aware of how important the lending community is to our industry."

A special highlight of the two seminars will be the presentation of the results of a first-ever national survey on RV financing that the association has taken on over the past several months in an effort to learn more about lenders' experiences in wholesale, indirect and two-party lending. In conducting the survey, RVIA has contacted more than 3,000 financial officials nationwide. The findings are expected to give lenders a good idea of the scope and profitability of the RV market.

Dr. Richard L. Curtin, director of surveys of consumer attitudes at the Survey Research Center of the University of Michigan and one of the nation's foremost researchers in the area of consumer behavior, will also make presentations at both seminars. Dr. Curtin recently completed a study on "The RV Consumer: Current Trends & Future Prospects" which deals with both the demographics and credit worthiness of RV buyers. He will report on the findings of that study.

In addition, RVIA's David Humphreys will talk about the steps RVIA takes, such as its standards program, to assure that the products being bought by consumers and financed by lenders are well-constructed and safe and thus have lasting value.

The seminars will also include a panel of top RV manufacturers who will field questions from the lenders related to the industry and the financing of the industry's products.

There will be no fee for attending the seminars, and financial institutions are encouraged to send as many representatives of their companies as they like. Information concerning registering for either of the seminars is available from RVIA Public Relations Department, P.O. Box 204, Chantilly, VA 22021, (703) 968-7722.